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TITLE 6—AGRICULTURAL CREDIT

Chapter III—Farmers Home Administration, Department of Agriculture

[FHA Instruction 402.1]

PART 303—SUPERVISED BANK ACCOUNTS

ESTABLISHING A JOINT SURVIVORSHIP BANK ACCOUNT

Section 303.2 (b) (1), Title 6, Code of Federal Regulations (20 F. R. 8489) is revised to require the establishment of a joint survivorship supervised bank account when title is held jointly by the husband and wife with right of survivorship, and to read as follows:

§ 303.2 *Use of supervised bank accounts.* * * *

(b) *Farm Ownership borrowers.* (1) All insured and direct loan funds will be deposited in the supervised bank account on the date of loan closing except when all of the proceeds of the check are distributed at the time of loan closing for the purchase price and service fees. Funds representing down payments or cash contributions made by Farm Ownership borrowers to accomplish planned development or improvement work also will be deposited in supervised bank accounts prior to or at the time of loan closing in accordance with the provisions set forth in the basic regulations of the Farm Ownership program. When the title is held jointly with the right of survivorship, a joint survivorship supervised bank acount will be established from which either the husband or wife could withdrawn funds; in such case, both the husband and the wife will sign Form FHA-192.

(R. S. 161, sec. 6 (3), 50 Stat. 870, sec. 41 (i), 60 Stat. 1066; 5 U. S. C. 22, 7 U. S. C. 1015 (i), 16 U. S. C. 590w (3))

Dated: January 11, 1956.

[SEAL] R. B. MCLEAISH,
Administrator,
Farmers Home Administration.

[F. R. Doc. 56-338; Filed, Jan. 16, 1956; 8:46 a. m.]

TITLE 7—AGRICULTURE

Chapter VIII—Commodity Stabilization Service (Sugar), Department of Agriculture

Subchapter H—Determination of Wage Rates

[Sugar Determination 867.8]

PART 867—WAGES: SUGARCANE: PUERTO RICO

CALENDAR YEAR 1956

Pursuant to the provisions of section 301 (c) (1) of the Sugar Act of 1948, as amended (herein referred to as "act"), after investigation, and consideration of the evidence obtained at the public hearing held in San Juan, Puerto Rico, on October 6 and 7, 1955, the following determination is hereby issued:

§ 867.8 *Fair and reasonable wage rates for persons employed in the production, cultivation, or harvesting of sugarcane in Puerto Rico during the calendar year 1956*—(a) *Requirements.* A producer of sugarcane in Puerto Rico shall be deemed to have complied with the wage provisions of the act if all persons employed on the farm in the production, cultivation, or harvesting of sugarcane during the calendar year 1956 shall have been paid in accordance with the following:

(1) *Wage rates.* All such persons shall have been paid in full for all such work and shall have been paid wages in cash therefor at rates as agreed upon between the producer and the worker, but after the date of publication of this section in the FEDERAL REGISTER or January 1, 1956, whichever is later, not less than the following:

(i) *Day rates*—(*a*) *Basic rates.* The basic day rate for the first 8 hours of work performed in any 24-hour period (except that for ditch diggers, ditch cleaners, or field flooders in Class E, as shown in the table below, the applicable day rate shall be for the first 7 hours of work performed in any 24-hour period) shall be as follows:

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FEDERAL REGISTER

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Class of work	*Basic rates per day*
A. All kinds of work not classified below	$2.60
B. Operators of mechanical equipment, such as tractors, trucks, tractor plows	3.55
C. Cartmen in cultivation work	2.70
D. Plow steersmen, operators of irrigation pumps, irrigators,[1] and all work connected with mixing and applying chemical weed killers	2.95
E. Ditch diggers, ditch cleaners, field flooders[2] (per 7-hour day)	$2.95
F. Cartmen in harvest work	3.15
G. Sugarcane cutters (for grinding or planting), seed cutters, crane operators, dumpers	2.95
H. Portable track handlers, railroad or portable track car loaders	3.15
I. Cane cart or truck loaders	3.05
J. Operators of mechanical loaders and harvesters[3]	4.80

[1] Irrigators are deemed to be those field workers who direct or control water in the sugarcane field and who are not required to work regularly while standing or wading in water.

[2] Field flooders are deemed to be those field workers who direct or control water in the sugarcane field and who are required to work regularly while standing or wading in water.

[3] Applicable to the principal operator of the mechanical loader or harvester.

(b) *Wage increases.* For each 10 cents or fraction thereof that the price of raw sugar (duty paid basis, delivered) averages more than $5.50 per one hundred pounds, but not more than $7.00 per one hundred pounds for the four-week period immediately preceding the four-week period during which the work is performed, a wage increase of 6.5 cents per day above the rate prescribed under subdivision (*a*) of this subparagraph shall be paid for each day of work during such four-week period: *Provided*, That the average price of raw sugar prevailing during the period from December 1 through December 28, 1955 shall determine the amount of wage increase effective during the work period January 1 through January 25, 1956, and thereafter the amount of wage increases in successive four-week work periods shall be determined by the average price of raw sugar prevailing in the immediately preceding four-week period. The four-week average price of raw sugar (duty paid basis, delivered) shall be determined by taking the simple average of the daily spot quotations of 96° raw sugar of the New York Coffee and Sugar Exchange (domestic contract) expressed in terms of a one hundred pound unit and adjusted to a duty paid basis, delivered, by adding to each daily quotation the United States duty prevailing on Cuban raw sugar on that day, except that, if the Director of the Sugar Division, Commodity Stabilization Service, determines that for any four-week period such average price does not reflect the true market value of raw sugar, because of inadequate volume or other factors, he may designate the average price to be effective under this section, which he determines will reflect the true market value of sugar.

(ii) *Hourly rates.* Where persons are employed on an hourly basis for a period not in excess of 8 hours (7 hours in Class E) in any 24-hour period, the hourly rate shall be determined by dividing the applicable day rate provided in subdivision (i) of this subparagraph by 8 (by 7 in Class E).

(iii) *Overtime.* Persons employed for more than 8 hours (or 7 hours in Class E) in any 24-hour period shall be paid for the overtime work at a rate double the applicable hourly rate provided in subdivision (ii) of this subparagraph.

(iv) *Piecework rates.* If work is performed on a piecework basis, the rate shall be as agreed upon between the producer and the worker: *Provided*, That the daily or hourly rate of earnings for each worker for the time involved on each separate unit of work for which a piecework rate is agreed upon shall be not less than the applicable daily or hourly rate provided in subdivisions (i), (ii), and (iii) of this subparagraph.

(2) *Compensable working time.* For work performed under subparagraph (1) of this paragraph, compensable working time includes all time which the worker spends in the performance of his duties except time taken out for meals during the work day. Compensable working time commences at the time the worker is required to start work in the field and ends upon completion of work in the field. However, if the producer requires the operator of mechanical equipment, driver of animals or any other class of worker to report to a place other than the field, such as an assembly point, stable, tractor shed, etc., located on the farm, time spent in transit to and from the field is compensable working time. Any time spent in performing work directly related to the principal work performed by the worker such as servicing equipment, is compensable working time. Time of the worker while being transported from a central recruiting point or labor camp to the farm is not compensable working time.

(b) *Subterfuge.* The producer shall not reduce the wage rates to workers below those determined in this section through any subterfuge or device whatsoever.

(c) *Claim for unpaid wages.* Any person who believes he has not been paid in accordance with this section may file a wage claim with the Caribbean Area Agricultural Stabilization and Conservation Office, San Juan, Puerto Rico, against the producer on whose farm the work was performed. Detailed instructions and wage claim forms are available at that office. Such claim must be filed within two years from the date the work with respect to which the claim is made was performed. Upon receipt of a wage claim the Caribbean Area Office shall thereupon notify the producer against whom the claim is made concerning the representation made by the worker. The Area Office shall arrange for such investigation as it deems necessary, and the producer and worker shall be notified in writing of its recommendation for settlement of the claim. If either party is not satisfied with the recommended settlement, an appeal may be made to the Director of the Sugar Division, Commodity Stabilization Service, U. S. Department of Agriculture, Washington 25, D. C. All such appeals shall be filed within 15 days after receipt of the recommended settlement from the Area Office, otherwise such recommended settlement will be applied in making payments under the act. If a claim is appealed to the Director of the Sugar Division, his decision shall be binding on all parties insofar as payments under the act are concerned.

STATEMENT OF BASES AND CONSIDERATIONS

(a) *General.* The foregoing determination establishes fair and reasonable wage rates to be paid for work performed by persons employed on the farm in the production, cultivation, or harvesting of sugarcane in Puerto Rico during the calendar year 1956, as one of the conditions with which producers must comply to be eligible for payments under the act.

(b) *Requirements of the act and standards employed.* Section 301 (c) (1) of the act requires that all persons employed on the farm in the production, cultivation, or harvesting of sugarcane with respect to which an application for payment is made shall have been paid in full for all such work, and shall have been paid wages therefor at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing; and in making such determinations the Secretary shall take into consideration the standards therefor formerly established by him under the Agricultural Adjustment Act, as amended (i. e., cost of living, prices of sugar and by-products, income from sugarcane and cost of production) and the differences in conditions among various sugar producing areas.

(c) *1956 wage determination.* This determination differs from the 1955 wage determination in the following respects: (1) a new class of work is added applicable to operators of mechanical loaders and harvesters at a basic rate of $4.80 per 8-hour day; (2) the perquisite provision is eliminated; and (3) the definitions for irrigators and field flooders are clarified.

At the public hearing held in San Juan, Puerto Rico on October 6 and 7, 1955, interested persons presented testimony with respect to fair and reasonable wage rates for the calendar year 1956. One producer representative recommended that no change be made in the basic wage or wage-price escalator, except the addition of a new class of work for operators of mechanical loaders and harvesters at a basic wage of $4.80 per 8-hour day. This witness also recommended elimination of the perquisite provision. Another representative of producers recommended that workers be required to work on a piece-work basis in situations where employers deemed this desirable. A third producer representative recommended that the provision for perquisites be eliminated, and that each work classification be defined more clearly. Several producers testified that their unprofitable position was due to decreased worker efficiency, increased wages, restrictions on sugar production, and declining sugar prices.

Representatives of a large labor organization recommended that a wage be determined that would yield a minimum of $1,400 per year; that growers be responsible for furnishing all tools and equipment necessary to the worker in carrying out his assigned duties, and that field flooders and gravity irrigators be classified in one category at the same wage. A representative of another union recommended that wages be raised to recognize the present high cost of living; that hourly rates be specified instead of rates per 8-hour day; and that there be only one classification for irrigation workers. Most labor representatives recommended elimination of the wage-price escalator, and contested the statement made by producers concerning the decreasing productivity of workers. In response to questions by the hearing officers two labor representatives stated that they favored the retention of the perquisite provision but little testimony was offered on the subject.

Consideration has been given to the recommendations and supporting testimony presented at the public hearing, to the standards customarily considered in wage determinations, to information obtained through investigations, and to the returns, costs, and profits of producers. An examination of the several factors does not indicate a basis for a change in the general wage level, but does indicate that the wage rates of this determination are within the ability of producers to pay under conditions likely to prevail in 1956.

In recent years there has been an increase in the quantities of sugarcane loaded by machine. This determination specifies a rate for the operators of mechanical loading and harvesting machines. The level of the rate, $4.80 per 8-hour day, is the same as provided in collective agreements between a large number of producers and workers, and gives recognition to the use of labor saving equipment.

Determinations since 1938 have required that a producer furnish workers with perquisites customarily furnished by him, such as housing, garden and pasture plots and medical services, in addition to established minimum wages. When the perquisite clause was first included in the determination some producers furnished no perquisites while others furnished one or more items. Literally, the perquisite clause was inflexible during a period of great change in grower-laborer relationships, living conditions and worker requirements. It discouraged the furnishing of any perquisites by new producers and the furnishing of additional perquisites by old producers. This resulted in inequities as among producers and as among workers. During the past decade many workers have moved away from the farm or relocated under programs of the Commonwealth government which provide small farm plots or low-cost housing. Local laws also prescribe medical care and first-aid facilities in case of injury. Labor union contracts negotiated with producers recognized perquisites and more recently have included provisions for welfare funds to benefit workers. These changes have had a tendency to lessen the importance of retaining the perquisite provision in the fair wage determinations. Recent surveys show that the value of perquisites furnished to workers on large farms is quite negligible and it is still less on small farms.

It is believed that the elimination of this provision will have little effect upon the earnings of workers and will afford producers and workers greater flexibility in making adjustments to meet current conditions. Producer representatives testified that producers generally will continue to furnish free those considerations which are necessary to obtain workers under current conditions.

At the public hearing there was much discussion of the work requirements for gravity irrigators and field flooders. From the evidence submitted the most significant difference in work requirements which affects rate applicability is whether the worker is required to work while standing or wading in water. This determination redefines the work activities of the two classes of workers to recognize this factor.

After consideration of all the factors, the wage and other provisions of the determination are deemed to be fair and reasonable.

Accordingly, I hereby find and conclude that the foregoing wage determination will effectuate the wage provisions of the Sugar Act of 1948, as amended.

(Sec. 403, 61 Stat. 932; 7 U. S. C. 1153. Interprets or applies sec. 301, 61 Stat. 929; 7 U. S. C. 1131)

Issued this 12th day of January 1956.

[SEAL] TRUE D. MORSE,
Acting Secretary of Agriculture.

[F. R. Doc. 56-356; Filed, Jan. 16, 1956; 8:49 a. m.]

TITLE 15—COMMERCE AND FOREIGN TRADE

Chapter III—Bureau of Foreign Commerce, Department of Commerce

Subchapter B—Export Regulations

[7th Gen. Rev. of Export Regs., Amdt. 49 [1]]

PART 372—PROVISIONS FOR INDIVIDUAL AND OTHER VALIDATED LICENSES

PART 373—LICENSING POLICIES AND RELATED SPECIAL PROVISIONS

PART 377—TIME LIMIT (TL) LICENSE

PART 378—FOREIGN DISTRIBUTION (FD) LICENSE

PART 380—AMENDMENTS, EXTENSIONS, TRANSFERS

MISCELLANEOUS AMENDMENTS

1. Section 372.12 *Reexportation from country of destination*, subparagraph (2) of paragraph (a) *General provisions* is amended as follows and a subparagraph (3) is added:

(2) If it is stated on an export license application that the commodity or commodities to be exported are intended for distribution or resale in a country or countries other than the named country of ultimate destination, the validated license will specifically name the country or countries to which distribution or resale is authorized. The only exceptions to this rule are Time Limit (TL) licenses (see Part 377 of this subchapter) and the Foreign Distribution (FD) licenses (see Part 378 of this subchapter), where reexport authority may be granted on a document other than the license itself. Authorization will be granted or withheld by an appropriate statement on the face of the validated license, as follows:

(i) "Distribution or resale of the commodities listed above is permitted in the country of ultimate destination only"; or

(ii) "Distribution or resale of the commodities listed above is permitted in (name of country of ultimate destination) and (names of other approved countries)."

NOTE: 1. *Destination control statement.* Where the license application does not include a request for distribution or resale; or where the export license authorizes distribution or resale only in the country of ultimate destination, the destination control statement shown on the Shipper's Export Declaration, Bill of Lading and Commercial Invoice (where required by the provisions of § 379.10 (a) of this subchapter) shall state:

These commodities licensed by U. S. for ultimate destination (name of country of ultimate destination shown on export license). Diversion contrary to U. S. law prohibited.

Where the export license authorizes distribution or resale in a country or countries other than the country of ultimate destination, the destination control statement shown on the Shipper's Export Declaration, Bill of Lading and Commercial Invoice (where required by the provisions of § 379.10 (a) of this subchapter) shall state:

These commodities licensed by U. S. for ultimate destination (name of country) and for distribution or resale in (name of other approved countries as shown on validated license). Diversion contrary to U. S. law prohibited.

2. *Notice to consignee of distribution and resale authority.* In those cases where the Bureau of Foreign Commerce has disapproved an authorization request for distribution or resale in whole or part it is suggested that the U. S. exporter may wish to advise his foreign consignee of the Bureau of Foreign Commerce decision in advance of the required notification in the form of the destination control statement on the Bill of Lading and Commercial Invoice.

(3) Where additional distribution or resale authority is required subsequent to the submission of a license application to the Bureau of Foreign Commerce, such request for authority shall be made as follows:

(i) If the license application is still pending with the Bureau of Foreign Commerce; or, if the export license has been issued and the proposed shipment has not been cleared for export by the U. S. Collector of Customs, Form IT- or FC-763 shall be submitted to the Bureau of Foreign Commerce, Washington 25, D. C., in accordance with the procedure described in § 380.2 (g) of this subchapter.

(ii) If the shipment has been cleared for export by the U. S. Collector of Customs, a letter request, in duplicate, shall be submitted to the Bureau of Foreign Commerce, Washington 25, D. C. The letter request shall identify the export license number (if known) and include the commodity description and quantity proposed for distribution or resale in each country of distribution or resale.

This part of the amendment shall become effective as of February 11, 1956.

2. Section 373.41 *Nonferrous commodities, including ores, concentrates, or unrefined products* is amended as follows:

Paragraph (d) *Copper ores, and concentrates, unrefined copper, refined copper, copper scrap, copper-base alloy scrap, and copper-base alloy ingots and other crude forms including remelt ingots* is amended in the following particulars:

Subparagraph (2) *Refined copper, Schedule B No. 641200*, subdivision (ii) *Availability for export* is amended to read as follows:

(ii) *Availability for export.* One of the following certifications shall appear on each license application:

(*a*) Where materials are in possession of applicant, the applicant shall execute and submit to the Bureau of Foreign Commerce the following certification:

I (we) certify that the copper materials described in this license application are in my (our) position and will be available for export not later than ______________________
____
(Indicate last day of calendar quarter during which application is filed)

or

(*b*) Where materials are not in possession of applicant, the applicant shall submit to the Bureau of Foreign Commerce the following certification from the producer of the materials:

I (we) certify that not later than __________
____
(Indicate last day of calendar quarter during which application is filed)
I (we) shall supply to ____________________,
(Name of applicant)
______________________________ short tons of
(Quantity in short tons)
________________________ in accordance with
(Type of copper material)
the terms of contract sale number __________ (Contract
__________ dated ____________________________
number) (Date of contract)

All documents evidencing commitment of sale must be kept available for inspection, upon demand, by the Bureau of Foreign Commerce for three years from the date of receipt of the application, as shown on the Acknowledgment Card, Form IT- or FC-116. Applications not accompanied by the evidence of availability required by the provisions of this subparagraph shall not be approved and should not be submitted.

Subparagraph (3) *Copper ores, concentrates, matte, and other unrefined copper, Schedule B. No. 640100* is amended to read as follows:

(3) *Copper ores, concentrates, matte, and other unrefined copper, Schedule B No. 640100.* License applications to export copper ores, concentrates, matte, and other unrefined copper shall be supported by the information set forth in subparagraph (2) (ii) and (iii) of this paragraph. With reference to the copper materials included in this paragraph, a foreign smelter, refiner, or processor may be identified as the consumer.

Paragraph (e) *Aluminum scrap (new and old) and aluminum remelt ingots*, subparagraphs (2) *Availability for export* and (6) *Validity period* are amended to read as follows:

(2) *Availability for export.* One of the following certifications shall appear on each license application:

---

[1] This amendment was published in Current Export Bulletin No. 760, dated January 12, 1956.

(i) Where materials are in possession of applicant, the applicant shall execute and submit to the Bureau of Foreign Commerce the following certification:

I (we) certify that the aluminum materials described in this license application are in my (our) possession and will be available for export not later than ________________ ________________

(Indicate last day of calendar quarter during which application is filed)

or

(ii) Where materials are not in possession of applicant, the applicant shall submit to the Bureau of Foreign Commerce the following certification from the supplier of the materials:

I (we) certify that not later than ________ ________________

(Indicate last day of calendar quarter during which application is filed)

I (we) shall supply to ________________,

(Name of applicant)

________________ short tons of

(Quantity in short tons)

________________ in accordance

(Type of aluminum material)

with the terms of contract sale number ____________ dated ____________.

(Contract number) (Date of contract)

All documents evidencing commitment of sale must be kept available for inspection, upon demand, by the Bureau of Foreign Commerce for three years from the date of receipt of the application, as shown on the Acknowledgment Card (Form IT- or FC-116).

* * * * *

(6) *Validity period.* Licenses to export the aluminum materials covered by this paragraph (e) will be issued for a validity period ending on the last day of the month following the quarter during which the application for a license is filed with the Bureau of Foreign Commerce. For example, a license issued on January 25, 1956 would expire on April 30, 1956.

This part of the amendment shall become effective as of January 12, 1956.

3. Section 373.55 *Chemicals and medicinals* is amended by adding a new paragraph (c) to read as follows:

(c) *Poliomyelitis (Salk) vaccine*—(1) *Licensing policy.* License applications to export poliomyelitis (Salk) vaccine, Schedule B No. 812200, will be considered for approval where the vaccine is to be used for one of the following purposes:

(i) Product registration;

(ii) Biologics control;

(iii) Laboratory experimentation or research;

(iv) Inoculation of U. S. nationals abroad (excluding members of the U. S. Armed Services and U. S. Government employees stationed abroad for whom provisions have been made to receive vaccine inoculations through U. S. Government facilities); or

(v) Other uses which merit consideration because of unusual or special considerations not falling specifically within one of the above categories.

(2) *Submission of license applications.* License applications to export poliomyelitis (Salk) vaccine shall be supported by the following additional information:

(i) If the vaccine is to be used for purposes of laboratory experimentation or research, the license application shall be accompanied by a statement signed by the ultimate consignee which sets forth the following information:

(*a*) Purpose for which the vaccine will be used, i. e., laboratory experimentation or research;

(*b*) Type and purpose of research or experimentation which will be conducted;

(*c*) Any other information as to end use; and

(*d*) Name and address of the foreign firm or organization which will conduct the research or experimentation.

(ii) If the vaccine is to be used for the inoculation of U. S. nationals abroad (excluding members of the U. S. Armed Services and U. S. Government employees stationed abroad for whom provisions have been made to receive vaccine inoculations through U. S. Government facilities), the license application shall be accompanied by a statement from the ultimate consignee which shows the number of U. S. nationals by age to be inoculated.

Consideration of license application for the export of poliomyelitis (Salk) vaccine to U. S. nationals abroad will be given by the Bureau of Foreign Commerce for the vaccination of persons included in the priority groups prevailing in the United States, as established by the Department of Health, Education, and Welfare.

(3) *Exception to application requirements.* In those instances where it is shown that the requirement for submission of a signed statement from the ultimate consignee, as provided in subparagraph (2) of this paragraph, would impose an undue hardship on the U. S. exporter, the Bureau of Foreign Commerce will consider the granting of an exception based on the individual merits of the case. Where a request for exception is made, a supporting document setting forth the reason for requesting the exception shall accompany the license application.

This part of the amendment shall become effective as of January 12, 1956.

4. Section 373.65 *Ultimate consignee and purchaser statements* is amended to read as follows:

§ 373.65 *Ultimate consignee and purchaser statements*—(a) *Scope*—(1) *General.* The provisions of this section apply to all proposed shipments of commodities for which validated export licenses are required where the country of ultimate destination is a country in Group R, and to any proposed shipments to a country in Group O under the Time Limit (TL) licensing procedure (see Part 377 of this subchapter).

(2) *Exemptions.* The provisions of this section do not apply if the license application covering the proposed shipment shows that one or more of the following conditions are present:

(i) The application for license to export a proposed shipment is covered by an Import Certificate, submitted in accordance with § 373.2 (or by a Swiss Blue Import Certificate as provided in § 373.67, or by a Hong Kong Import License as provided in § 373.69, or by a Yugoslav End-use Certificate as provided in § 373.70).

(ii) The total value, as shown on the export order covering the application, of the commodity(ies) classified in a single entry on the Positive List is less than $500 and the shipment is not supported by a multiple transaction statement submitted in accordance with paragraph (c) (3) of this section. For exportation of non-Positive List commodities to Hong Kong or Macao, the total value of the commodity(ies) classified under a single Schedule B number, as shown on the export order covering the application, is less than $500 and the shipment is not supported by a multiple transaction statement.

(iii) Shipment will be made under a Project License issued or to be issued as set forth in Part 374 of this subchapter.

(iv) The ultimate consignee named in the license application is a foreign government or foreign government agency, and the foreign purchaser is also a foreign government or foreign government agency. However, if one of the parties to the transaction, either purchaser or ultimate consignee, is a party other than the foreign government or government agency, then a statement from that purchaser or ultimate consignee is required. The term "government agency" is construed to mean only those governmental departments operated by government paid personnel performing governmental administration functions and not operated for profit. It does not include quasi-government agencies established or controlled by the government which perform commercial functions (e. g., resale or redistribution of goods of U. S. origin for commercial purposes).

(v) Shipment will be made by a relief agency registered with the Advisory Committee on Voluntary Foreign Aid, International Cooperation Administration (formerly FOA), to a member agency in the foreign country.

(vi) The license applicant is the same person as the ultimate consignee in the country of ultimate destination, provided that the applicant furnishes all the applicable information on the license application which is required in the consignee statement. This exemption does not apply where the applicant and the consignee are separate entities such as parent and subsidiary, or affiliated or associated firms.

(b) *Statements required from ultimate consignee and purchaser*—(1) *General.* The applicant shall furnish an original or copy of a statement from the ultimate consignee named in the application, certifying to certain facts relating to the proposed transaction. This statement is required by the Bureau of Foreign Commerce to make certain that foreign consignees are fully aware of their respnsibility not only for the representations made to the Bureau of Foreign Commerce, but also for the proper disposition of the licensed commodities only in those foreign countries where the Bureau of Foreign Commerce has authorized disposition. In addition, the requirement curtails the time-consuming supplementary inquiries by the Bureau of Foreign Commerce which otherwise often may be necessary.

(2) *Signatures.* This statement must be manually signed by the ultimate consignee or by a responsible official of the ultimate consignee who has personal knowledge of the information included in the statement, who has authority to bind the ultimate consignee, and who has the power and authority to control the use and disposition of the licensed commodities in the country of ultimate destination. The authority to sign this document may not be delegated to any person (agent, employee, or other) whose authority to sign is not inherent in his official position with the ultimate consignee. The official signing the statement may be located in the United States or in a foreign country; his official title shall be included with his signature.

(3) *Purchasers.* If the purchaser named in the export license application is a different person from the named ultimate consignee, the purchaser must either sign the statement executed by the ultimate consignee, or the applicant must also attach to the application an additional statement executed by the purchaser. This statement from the purchaser shall meet the same requirements of signature, etc., as are stated in subparagraph (2) of this paragraph for the ultimate consignee, and it must cover the same subject matter as required from the ultimate consignee in subsequent paragraphs of this section. The purchaser's statement may be a single transaction statement or a multiple transaction statement and shall be completed in accordance with the procedure described in paragraph (c) of this section.

(4) *Alterations.* No corrections, additions, or alterations to a consignee or purchaser statement may be made by the applicant for an export license after the statement has been signed by the consignee or purchaser. If the signed statement is incomplete or incorrect in any respect, the applicant shall obtain a corrected statement from the consignee and/or purchaser.

(5) *Applications filed without statements.* An application not supported by a statement (where required) from the ultimate consignee or purchaser will be returned without action to the applicant. However, an applicant who can show to the satisfaction of the Bureau of Foreign Commerce that he has made diligent efforts to obtain such statement and has been unable to get it, may so advise the Bureau of Foreign Commerce in a letter attached to his application, giving the stated reasons of the ultimate consignee or purchaser for failing or refusing to give the applicant such statement and the application will receive consideration for approval.

(6) *30-day grace period for Positive List additions.* When a commodity becomes subject to the requirements of this section by reason of having been added to the Positive List, export license applications for such commodity to Group R countries or for Group O countries under the TL licensing procedure need not conform to these requirements for a period of 30 days from the time such commodities are added to the Positive List. In lieu of the end-use and ultimate consignee statements during such 30-day period, applications shall be accompanied by any evidence available to the exporter which will support the applicant's representations concerning the ultimate consignee, ultimate destination, and the end-use. Such evidence may consist of copies of the letter of credit, the order for the commodities, correspondence between the exporter and consignee, or other documents received from the consignee.

(c) *Information required in consignee statements*—(1) *General.* (i) Where an application to export a commodity involves a single transaction, a statement shall be submitted on Form FC-842 "Single Transaction Statement by Consignee and Purchaser," or in the event of an emergency, in the form of a wire or cable provided it contains the same information as required on the form.[1] Exporters who have a continuing and regular relationship with an ultimate consignee (including but not limited to applicants having foreign branches or subsidiaries or distributors under franchise with the applicant) involving recurring orders for the same commodities to the same destinations and for the same end uses, and applicants for Time Limit (TL) licenses (see Part 377 of this subchapter) or Foreign Distribution (FDL) licenses (see Part 378 of this subchapter) may submit to the Bureau of Foreign Commerce a multiple transaction statement executed on Form FC-843 "Multiple Transaction Statement by Consignee and Purchaser."[1] Statements submitted under the multiple transaction procedure will not be accepted on any form other than Form FC-843. The exporter shall attach to Form FC-843 a list in original only of the Bureau of Foreign Commerce product divisions responsible for licensing those commodities listed on the statement, and shall submit the original plus one additional copy of the multiple transaction statement for each Bureau of Foreign Commerce product division responsible for licensing these commodities. (A list of Bureau of Foreign Commerce product divisions and the commodity processing codes for which each product division has licensing authority, is set forth in § 399.4 of this subchapter.) Since there are but four product divisions in the Bureau of Foreign Commerce, a maximum of an original plus four additional copies will be required. If the commodities to which the statement applies are assigned processing codes under a single product division, the original plus only one additional copy of the statement will be required.

(ii) This multiple transaction statement shall cover all proposed exportations of such commodities regardless of value (including those based on export orders amounting to less than $500) for which applications for export licenses will be submitted to the Bureau of Foreign Commerce during all or any part of the period ending on June 30 of the year following the year during which the statement is executed (unless an earlier termination date is desired and is specified on the Multiple Transaction Statement). For example, a statement executed on July 3, 1956, may cover proposed exportations for which license applications are filed on or before June 30, 1957.

(iii) All of the items of information specified in this Paragraph (c) or on Form FC-842 or Form FC-843, shall be furnished if applicable to the transaction. If such information is unknown, that fact, should also be disclosed. Special provisions applicable to the single transaction statement are set forth in subparagraph (2) of this paragraph; special provisions applicable to the multiple transaction statement are set forth in subparagraph (3) of this paragraph, and the information required on both the single and multiple transaction statement is set forth below:

(*a*) Name and address of the ultimate consignee (item 1 of the Forms);

(*b*) Name of the United States ex-exporter or person with whom the order has been placed (item 2 of the Forms);

(*c*) Description of the commodity or commodities to which the statement applies (item 3 of the Forms): The commodities shall be described in terms which will enable the Bureau of Foreign Commerce to determine that the commodities described on the statement are the same as those described on the related application for export license.

(*d*) The nature of the consignee's usual business, including whether he is the user, seller, etc., of the commodities to which the statement applies;

(*e*) The ultimate destination of the commodity or commodities to which the statement applies, showing whether the commodities will be reexported from the country indicated in Item 1 of the statement, and if the commodities are for reexport, the name of the country or countries to which reexportation is proposed (Item 5 of the Forms). (See § 373.68 with respect to the filing of consignee statements which make reference to Viet-Nam, Laos, and Cambodia or the area formerly known as "Indochina.") It is emphasized that nothing shown on Form FC-842 or Form FC-843 shall be construed as an authorization by the U. S. Department of Commerce to reexport the commodities to which the statement applies without approval of specific countries from the U. S. Department of Commerce. Such authorization to reexport is not granted on the basis of information on these forms, but as a result of a specific request by the U. S. exporter on the license application (Form FC-419) or upon request of the consignee through the U. S. exporter after the license is issued. (See also § 372.12 of this subchapter.)

(*f*) A specific and detailed description of the end use to which the commodity or commodities will be put by the ultimate consignee in the country of ultimate destination (item 6 of the Forms). If the ultimate consignee will use the commodity or commodities to produce other end products show the names of the end products, the country or countries where the production or manufacture will take place and the country or countries in which the end product will be distributed, if these facts are known. The end-use information shall be set forth in as much detail as is known to the person(s) signing the statement.

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[1] Forms FC-842 and FC-843 may be obtained at all Department of Commerce field offices (listed on page xxviii) and from the Bureau of Foreign Commerce, Department of Commerce, Washington 25, D. C. Foreign importers may obtain copies of Forms FC-842 and FC-843 from their United States exporter or from United States diplomatic and Consular offices. (See Supplements S-15 and S-16 for facsimiles of these forms.)

(*g*) Any additional facts relating to the transaction which the consignee or purchaser believes will be of value to the Bureau of Foreign Commerce in the consideration of license applications submitted in his behalf by the U. S. exporter. (Item 7 of the Forms.)

(*h*) The name of any person, other than the employees of the ultimate consignee or purchaser, who assisted in the preparation of the statement (Item 8 of the Forms); and

(*i*) A certification by the consignee and/or purchaser that the facts contained in the statement are true and correct to the best of their knowledge and belief; a certification by the consignee and/or purchaser that they will promptly send a supplemental statement to the United States exporter (or the foreign distributor in the case of a Foreign Distribution license) of any change of facts or intentions set forth in their statement which occurs after the statement has been prepared and forwarded; and that with respect to any shipment which they propose to dispose of contrary to the representations made in the statement, or contrary to the limitations on countries of distribution which may be received on the bill of lading, commercial invoice or other comparable documents, they will notify the U. S. exporter and secure approval of the Bureau of Foreign Commerce through the U. S. exporter prior to such disposition. (Items 9 and 10 of the Forms);

(2) *Special provisions applicable to the single transaction statement.* In addition to the general information set forth in subparagraph (1) of this paragraph, the following special provisions apply to the single transaction statement (Form FC-842):

(i) The single transaction statement shall be submitted to the Bureau of Foreign Commerce within 90 days from the execution date shown in Item 9 or 10 on the Form, whichever date is later.

(ii) The quantity and value of commodities ordered by the consignee or purchaser from the U. S. exporter shall be shown on the statement (Item 3 of Form FC-842). A license application in a quantity or value more than that shown on the related statement will be returned without action to the applicant.

(iii) In addition, the end use of the commodities by the ultimate consignee, item 6 of the form shall include, if known, the end use of the commodities by the customers of the ultimate consignee. If the end use by the customers is unknown, enter the word "Unknown."

(3) *Special provisions applicable to the multiple transaction statement.* In addition to the general information set forth in subparagraph (1) of this paragraph, the following special provisions apply to the multiple transaction statement (Form FC-843):

(i) A representation that the statement shall be considered a part of every application for license filed by the named U. S. exporter or person with whom the order is placed, for export to the consignee of the commodity or commodities to which the statement applies, during the period stipulated (Items 2 of Form FC-843)

(ii) The nature of the consignee's business relationship with the U. S. exporter named in item 2 of Form FC-843, or with the distributor in the case of a Foreign Distribution (FD) license, and how long the relationship has existed (Item 4 of Form FC-843)

NOTE: 1. *Proper number of copies of statement.* United States exporters may wish to advise their foreign importers (ultimate consignees and purchasers) to submit these statements in as many copies as the exporter requires for submission to the Bureau of Foreign Commerce for all license applications to be submitted in connection with the importer's order(s).

(4) *Method of extension of validity period of multiple transaction statements.* The validity period of multiple transaction statements on a form other than FC-843 Revised which was submitted to the Bureau of Foreign Commerce prior to January 12, 1956 may not be extended beyond January 12, 1956.[2]

(i) In lieu of submitting a new multiple transaction statement, the coverage period of a currently valid multiple transaction statement submitted on Form FC-843 on file in the Bureau of Foreign Commerce, may be extended by the submission to the Bureau of Foreign Commerce of (a) a certification completed by the ultimate consignee and purchaser and (b) a copy of the U. S. exporter's letter to his ultimate consignee and purchaser requesting the completion of such certification. Such certificaton and letter shall meet, as a minmum, the requirements described below and shall be submitted in the same number of copies as are required for multiple transaction statements under subparagraph (1) of this paragraph.

(ii) The following certification shall be signed by the ultimate consignee and purchaser (if applicable):

I (we) certify that:

(1) I (we) have reread our multiple transaction statement, Form FC-843-Revised, dated ....:

(2) The facts contained in this multiple transaction statement which will expire on .... have not changed to date:

(3) The facts contained in that multiple transaction statement accurately and completely reflect our past and present relationship with ....
(Name of U. S. exporter)
and our intended use and disposition of commodities received during the period ending
....
(June 30 of next year, unless an earlier termination date is desired)

(4) I (we) shall promptly send a supplemental statement to the named U. S. exporter disclosing any change of facts or intentions which occurs after the signing of this certification;

(5) With respect to any shipment which I (we) propose to dispose of contrary to the representations made in the above described Form FC-843, or contrary to limitations on countries of distribution which I (we) receive on my (our) bill of lading, commercial invoice or comparable documents, I (we) will notify the named U. S. exporter, and will secure the United States Government approval through this exporter prior to such disposition.

....
(Date of signing)

(Print or type)
....
(Name of consignee/purchaser)

....
(Address of consignee/purchaser)

....
(Signature of official of firm named)

....
(Name and title of person signing statement)

(iii) The U. S. exporter's letter to his consignee requesting the above certification shall, among other things, include the following instructions: (*a*) The original multiple transaction statement shall be reexamined to make sure that the facts and intentions have not changed; (*b*) the commodities shall be used in the authorized countries only; (*c*) the commodities shall not be diverted or transshipped from authorized destinations to other destinations without prior U. S. approval; and (*d*) the exporter must be informed of any future change of facts or intentions from those stated in the certification.

(iv) The certification completed by the ultimate consignee and purchaser and the copy of the U. S. exporter's letter to his ultimate consignee and purchaser requesting the completion of such certification, must be received in the Bureau of Foreign Commerce before the expiration date of the consignee statement or any previous extensions thereof.

(d) *Applications supported by consignee statements*—(1) *Applications supported by a multiple transaction statement.* An application for an export license, supported by a multiple transaction statement or by a certification extending the coverage period of a multiple transaction statement, shall contain the following statement:

This application is supported by the multiple transaction statement dated .... from the named consignee to this applicant.

(2) *Applications supported by a single transaction statement.* Where a single transaction statement covers a purchase order for several comodities that require more than one license application, each

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[2] Multiple transaction consignee and purchaser statements, or extension certifications from the consignee, on file with the Bureau of Foreign Commerce on October 27, 1955 and in accordance with the Export Regulations are automatically extended from the date apearing in Item 4 of Form IT-843 or Item 3 of the certification, until April 2, 1956. A supplemental statement must be submitted, however, disclosing any change of facts or intention, as provided in Item 13 of Form IT-843 or Items 4 and 5 of the certification. This extension is in addition to the extensions announced on March 3, 1955 and June 9, 1955.

license application supported by the single transaction statement shall contain the following certification:

> I (we) certify that I (we) have not submitted applications, including the present application, in excess of the described commodities and quantities shown on the Single Transaction Statement dated --------. This Single Transaction Statement was submitted in support of Application No. -------- (BFC Case No. or if BFC Case No. is unknown, the applicant's reference no. and date of submission of the application.)

NOTE: 1. *Purchase order.* The statement from the ultimate consignee and purchaser shall relate only to purchase orders placed by one ultimate consignee and one purchaser with one United States exporter. A purchase order covered by any consignee statement may involve several commodities. The Single Transaction Statement by Consignee and Purchaser (Form FC-842) shall relate to only one purchase order. The Multiple Transaction Statement by Consignee and Purchaser (Form FC-843) may cover more than one purchase order.

2. *Coded terms and translation requirements.* The provisions of § 372.9 (d) of this subchapter, requiring an explanation of terms and abbreviations and an English translation of documents in a foreign language, must be observed. Exporters may provide their foreign customers with Form FC-842 and Form FC-843 translated into the foreign language of the customers. Copies of Form FC-842 and Form FC-843 in foreign languages will not be provided by the Bureau of Foreign Commerce.

3. *Applicability of statements on ultimate consignee/purchaser statement to license applications and export licenses.* Information supplied by a consignee or purchaser on a consignee statement cannot be construed as extending or expanding the specific information on a license application or an export license resulting therefrom. With regard to disclosure of facts pertaining to an individual export transaction, the export license application covering the transaction must be self-contained. The authorizations contained in the resulting export license are not extended by the general information contained in the consignee statement with regard to reexportation from the country of destination or with regard to any other facts relative to the transaction as reported on the application.

4. *Liability of ultimate consignee or purchaser.* Misrepresentations, either through failure to disclose facts, concealing a material fact, or furnishing false information in the required statement, will subject the ultimate consignee and/or purchaser to administrative action by the Bureau of Foreign Commerce, including suspension, revocation, or denial of licensing privileges and denial of other participation in exports from the United States.

5. *Applicant's responsibility for full disclosure.* In submitting statements from the ultimate consignee and foreign purchaser, the applicant is not relieved of responsibility for full disclosure of any other information concerning the ultimate destination and end use of which he has knowledge or belief, whether or not inconsistent with the representations of the ultimate consignee or foreign purchaser. In accordance with the provisions of § 381.5 of this subchapter, the applicant shall also promptly bring to the attention of the Bureau of Foreign Commerce any change in the facts which were set forth in the first or any supplementary statement from the ultimate consignee or purchaser and which change was brought to his notice by the ultimate consignee or purchaser or any other person subsequent to the date the statement was made.

6. *Applicant is not named on consignee statement.* If the license applicant is not named on the consignee statement, the provisions of § 372.4 (a) (2) of this subchapter must be observed.

(e) *Letterheads and order forms.* The printed name, address, or nature of business of the ultimate consignee or purchaser appearing on his letterhead or order form shall not constitute evidence of either his identity, the country of ultimate destination, or end use of the commodities described in the application.

(f) *Requests for amendments.* (1) A new consignee and purchaser statement (Form FC-842 or FC-843) shall accompany a request for an amendment of an export license which proposes a change in the consignee or purchaser in the transaction named in the export license, if the proposed amendment is not in accordance with the consignee and purchaser statement previously submitted to the Bureau of Foreign Commerce.

(2) A new Single Transaction Statement by Consignee and Purchaser (Form FC-842) or a letter, wire or cable from the ultimate consignee and purchaser (if applicable) confirming the change, shall accompany a request for an amendment of an export license which proposes any increase in the quantity set forth in the export license if the proposed amendment is not in accordance with the Single Transaction Statement by Consignee and Purchaser previously submitted to the Bureau of Foreign Commerce.[1] If a proposed quantitative amendment is in accordance with the previously submitted Single Transaction Statement by Consignee and Purchaser, the amendment request shall include the following certification:

> I (we) certify that this request for amendment of export license number -------------- if granted, will not exceed the total covered by the Single Transaction Statement by Consignee and Purchaser against which this export license was issued.

Where the export license is based on a Multiple Transaction Statement, an additional Statement is not required from the consignee or purchaser to support a proposed license amendment for increase in quantity. In lieu thereof, the following certification shall be placed on the request for amendment:

> I (we) certify that the license(s) described in item 2 (a) is supported by a Multiple Transaction Statement.

This part of the amendment shall become effective as of April 2, 1956.

5. Section 373.71 *Supplement 1; Time schedules for submission of applications for licenses to export certain Positive List commodities* is amended to read as follows:

TIME SCHEDULES FOR SUBMISSION OF APPLICATIONS FOR LICENSES TO EXPORT CERTAIN POSITIVE LIST COMMODITIES—FIRST QUARTER OF 1956

Dept. of Commerce Schedule B No.	Commodity	Submission dates—First quarter, 1956
630050	Aluminum scrap (new and old)	Before Mar. 16, 1956
630070	Aluminum remelt ingots	
641300	Copper scrap (new and old) containing 40 percent or more copper	
644000	Copper-base alloy scrap (new and old) containing 40 percent or more copper	
644100	Copper-base alloy ingots and other crude forms	
619159	Selenium powder	Dec. 1-15, 1955
622098	Ferroselenium	
664998	Selenium metal, except selenium-bearing scrap materials	
829810	Selenium-containing rubber compounding agents not of coal tar origin: accelerators.	
839750	Selenium salts of organic compounds	
839900	Selenium salts and compounds, including selenium dioxide	
842900	Selenium-containing pigments	
619159	Nickel powder, pure	Jan. 3-24, 1956
654502	Nickel anodes, cast and rolled, and nickel and nickel alloy shot	

NOTE: 1. *Return of unused quotas.* As soon as a licensee determines that he will not export the entire licensed amount of a commodity subject to a quantitive quota he shall promptly submit to the Bureau of Foreign Commerce a request for an amendment reducing the quantity covered by the license to the amount he actually intends to export (see § 373.6). If none of the commodities covered by the license is to be exported, the license shal be returned to the Bureau of Foreign Commerce.

2. *Where no filing dates are announced.* Applications for licenses to export commodities for which no specified filing dates are announced may be submitted at any time (see § 372.5 (c) of this subchapter).

3. *Intransit shipment.* Export applications for commodities requiring a validated license when moving in transit through the United States may be submitted at any time and are not subject to specified filing dates (see Note following § 372.6 (d) of this subchapter).

6. Section 377.5 *Application requirements,* paragraph (c) *Multiple transactions statement* is amended by substituting the reference "§ 373.65 (c)" for the reference "§ 373.65 (a) (3)".

This part of the amendment shall become effective as of April 2, 1956.

7. Section 378.4 *Application requirements,* paragraph (b) *Additional information,* subparagraph (1) is amended by substituting the reference "§ 373.65 (c)" for the reference "§ 373.65 (a) (3)".

This part of the amendment shall become effective as of April 2, 1956.

8. Section 380.2 *Amendments or alterations of licenses* is amended by adding a new paragraph (k) to read as follows:

(k) *Licenses covered by consignee statements.* (1) A new consignee and purchaser statement (Form FC-842 or FC-843) shall accompany a request for an amendment of an export license which proposes a change in the consignee or purchaser in the transaction named in the export license, if the proposed amendment is not in accordance with the consignee and purchaser statement previously submitted to the Bureau of Foreign Commerce.

(2) A new Single Transaction Statement by Consignee and Purchaser (Form FC-842) or a letter, wire, or cable from the ultimate consignee and purchaser

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[1] See footnote on p. 314.

(if applicable) confirming the change, shall accompany a request for an amendment of an export license which proposes any increase in the quantity set forth in the export license if the proposed amendment is not in accordance with the Single Transaction Statement by Consignee and Purchaser previously submitted to the Bureau of Foreign Commerce. If a proposed quantitative amendment is in accordance with the previously submitted Single Transaction Statement by Consignee and Purchaser, the amendment request shall include the following certification:

> I (we) certify that this request for amendment of export license number ----------, if granted, will not exceed the total covered by the Single Transaction Statement by Consignee and Purchaser against which this export license was issued.

Where the export license is based on a Multiple Transaction Statement, an additional Statement is not required from the consignee or purchaser to support a proposed license amendment for increase in quantity. In lieu thereof, the following certification shall be placed on the request for amendment:

> I (we) certify that the license(s) described in item 2 (a) is supported by a Multiple Transaction Statement.

This part of the amendment shall become effective as of February 11, 1956.

(Sec. 3, 63 Stat. 7, as amended; 50 U. S. C. App. 2023. E. O. 9630, 10 F. R. 12245, 3 CFR, 1945 Supp., E. O. 9919, 13 F. R. 59, 3 CFR, 1948 Supp.)

LORING K. MACY,
Director,
Bureau of Foreign Commerce.

[F. R. Doc. 56-350; Filed, Jan. 16, 1956; 8:48 a. m.]

[7th Gen. Rev. of Export Regs., Amdt. P. L. 26 [1]]

PART 399—POSITIVE LIST OF COMMODITIES AND RELATED MATTERS

MISCELLANEOUS AMENDMENTS

1. Section 399.1 *Appendix A—Positive List of Commodities, General Notes to Appendix A* is amended by adding to paragraph (e) *Commodity processing codes* the following unnumbered paragraph at the end thereof:

> Commodity processing codes, arranged in four groups corresponding to the four product divisions in the Bureau of Foreign Commerce that license the commodities, are shown in § 399.4, Appendix D.

2. Part 399 is amended by adding a new § 399.4 *Appendix D—Groups of commodity processing codes* to read as follows:

§ 399.4 *Appendix D—Groups of commodity processing codes.* For purposes of submission of multiple transaction consignee and purchaser statements (§ 373.65 of this subchapter) by applicants for export licenses, the Commodity Processing Code symbols, as shown on the Positive List (§ 399.1) have been arranged in four groups, corresponding to the four Bureau of Foreign Commerce product divisions that license the commodities:

Agricultural and Chemical Products Division

ACID	FATS	PULP
AGCH	FERT	RESN
AGMT	GFTS	SALT
CERL	LEAT	SEED
CONT	LUMB	SUBT
COTA	MEAT	TEXT
DAPP	ORGN	TOBC
DRUG	PLAT	VEGT

Finished Products Division

BLDG	ELME	RARA
CDGS	FILM	RUBR
CORK	PRIN	SATE

Materials Division

COAL	NONF	STEE
MINL	PETR	TNPL

Producers Equipment Division

CONS	MINE	TRAN
GIEQ	TOOL	

(Sec. 3, 63 Stat. 7, as amended; 50 U. S. C. App. 2023. E. O. 9630, 10 F. R. 12245, 3 CFR, 1945 Supp. E. O. 9919, 13 F. R. 59, 3 CFR, 1948 Supp.)

LORING K. MACY,
Director,
Bureau of Foreign Commerce.

[F. R. Doc. 56-351; Filed, Jan. 16, 1956; 8:48 a. m.]

TITLE 24—HOUSING AND HOUSING CREDIT

Chapter II—Federal Housing Administration, Housing and Home Finance Agency

Subchapter M—Military and Armed Services Housing Mortgage Insurance

PART 292a—ARMED SERVICES HOUSING INSURANCE; ELIGIBILITY REQUIREMENTS OF MORTGAGE

Part 292a is amended to read as follows:

APPLICATION AND COMMITMENT

Sec.
292a.1 Submission of application.
292a.2 Certificate by Secretary to Commisisoner.
292a.3 Application fee.
292a.4 Issuance of commitment.
292a.5 Commitment fee.

ELIGIBLE MORTGAGES

292a.6 Mortgage forms.
292a.7 Maximum mortgage amount; replacement cost.
292a.8 Maximum mortgage amount; dollar limitation.
292a.9 Maximum mortgage amount; successful bid.
292a.10 Mortgage maturity and amortization.
292a.11 Payment requirements.
292a.12 Interest rate of mortgage.
292a.13 Mortgage to cover entire property.
292a.14 Covenant against liens.
292a.15 Standards and conditions of acceptability.
292a.16 Accumulation of accruals.
292a.17 Application of payments.
292a.18 Prepayment privilege.
292a.19 Fees and charges to be collected by mortgagee.
292a.20 Late charge provision.
292a.21 Issuance of bonds.
292a.22 Mortgage covenant regarding racial restrictions and use of property.

ELIGIBLE MORTGAGORS

Sec.
292a.23 Private corporation or association eligible.
292a.24 Stock acquisition by Military.

SUPERVISION OF MORTGAGORS

292a.25 Lien certification.
292a.26 Agreement covering advances.
292a.27 Completion assurance.
292a.28 Labor standards.
292a.29 Ineligible contractors.
292a.30 Ineligible advances.
292a.31 Prevailing wage certificate.
292a.32 Non-discrimination provision.
292a.33 Special certificates and contract by mortgagor.

ELIGIBLE MORTGAGES

292a.34 Qualification of lenders.

PROPERTY REQUIREMENTS

292a.35 Eligibility of property.
292a.36 Development of property.
292a.37 Form of contract.

TITLE

292a.38 Eligibility of title.
292a.39 Title evidence.

EFFECTIVE DATE

292a.40 Effective date.

AUTHORITY: §§ 292a.1 to 292a.40 issued under sec. 807, 69 Stat. 651.

APPLICATION AND COMMITMENT

§ 292a.1 *Submission of application.* Applications for mortgage insurance may be submitted in triplicate through the local Federal Housing Administration office on a standard form prescribed by the Commissioner, which shall be fully executed, including all the required exhibits. The application must cover housing designed for use by the Military and the Coast Guard as provided under Title VIII of the National Housing Act as amended. All reference in this part to the Military or Secretary of Defense shall be deemed to include the Coast Guard and the Secretary of the Treasury.

§ 292a.2 *Certification by Secretary to Commissioner.* Applications for mortgage insurance will not be accepted unless there has been executed an instrument by the Secretary of Defense or his designee certifying to the Commissioner that there is no intention, so far as can reasonably be foreseen, to substantially curtail the personnel of the armed services assigned or to be assigned to the particular military installation where the mortgaged property to be insured is located.

§ 292a.3 *Application fee.* No application will be considered unless the fee therefor has been paid. This fee, referred to as the "application fee," is $1.50 per thousand of the face amount of the loan applied for.

§ 292a.4 *Issuance of commitment.* (a) Upon approval of an application for mortgage insurance a commitment will be issued setting forth the terms and conditions upon which the mortgage will be insured, including special requirements applicable to the project, and instruments evidencing full compliance satisfactory to the Commissioner with the provisions of this part and with such terms and conditions.

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[1] This amendment was published in Current Export Bulletin No. 760, dated January 12, 1956.

(b) The commitment will provide for advances of mortgage money during construction and the insurance of such advances as made.

(c) No commitment shall be valid unless signed by the Commissioner or his agent authorized for that purpose, and shall be effective for a stated period, not in excess of 120 days, provided that the commitment fee shall have been paid as required. A commitment may be renewed in such manner as the Commissioner may from time to time specify.

§ 292a.5 *Commitment fee.* A further sum (referred to as commitment fee) which, when added to the application fee will aggregate $3.00 per thousand of the face amount of the mortgage loan set forth in the commitment, shall be paid within 30 days subsequent to the date of the commitment.

ELIGIBLE MORTGAGES

§ 292a.6 *Mortgage forms.* The mortgage must be executed upon a form approved by the Commissioner for use in the jurisdiction in which the property covered by the mortgage is situated, by a mortgagor with the qualifications hereinafter provided in this part, must be a first lien upon property that conforms with the property standards prescribed by the Commissioner, and the mortgagee must be obligated, as a part of the mortgage transaction, to disburse the principal amount of the mortgages, to, or for the account of, the mortgagor in an amount due in accordance with the provisions of this part and in conformity with the terms of the commitment. Any changes in the form desired by the mortgagor and mortgagee must receive prior written approval of the Commissioner.

§ 292a.7 *Maximum mortgage amount; replacement cost.* (a) The mortgage shall involve a principal obligation not to exceed the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed. Such cost may include the cost of the land, the physical improvements, and utilities within the boundaries of the property or project.

(b) The mortgage amount is subject to other limitations as provided in §§ 292a.8 and 292a.9.

§ 292a.8 *Maximum mortgage amount; dollar limitation.* (a) The mortgage shall involve a principal obligation in an amount not to exceed an average of $13,500 per family unit for such part of the property or project as may be attributable to dwelling use, less the amount of the Commissioner's estimated value of any usable utilities within the boundaries of the property or project where owned by the United States and not provided for out of the proceeds of the mortgage.

(b) In addition to the dollar limitation prescribed in this section the mortgage amount is subject to other limitations as provided in §§ 292a.7 and 292a.9.

§ 292a.9 *Maximum mortgage amount; successful bid.* (a) The mortgage shall involve a principal obligation not to exceed the amount of the successful bid of the eligible builder of the property or project. The term "eligible builder" means a person, partnership, firm, or corporation determined by the Secretary of Defense, after consultation with the Commissioner (1) to be qualified by experience and financial responsibility to construct housing of the type described and provided for under Title VIII of the National Housing Act, and (2) to have submitted the lowest acceptable bid.

(b) In addition to the bid limitation prescribed in this section, the mortgage amount is subject to other limitations as provided in §§ 292a.7 and 292a.8.

§ 292a.10 *Mortgage maturity and amortization.* The mortgage shall have a maturity satisfactory to the Commissioner, but in no event to exceed 25 years, and shall contain complete amortization provisions satisfactory to the Commissioner.

§ 292a.11 *Payment requirements.* The mortgage shall provide for monthly payments on the first day of each month by the mortgagor to the mortgagee on account of interest and principal. Such monthly payments will be on a level annuity basis. Where the insured mortgage does not exceed $300,000 payments on account of principal shall begin not later than the first day of the twelfth month following execution of the mortgage. Where the mortgage does exceed $300,000 such principal payments shall begin not later than the first day of the twenty-fourth month following execution of the mortgage. Within the foregoing limitations, the Commissioner will estimate the time necessary to complete the project and will establish the date of the first payment to principal.

§ 292a.12 *Interest rate of mortgage.* The mortgage shall bear interest, not exceeding 4 percent per annum, on the amount of the principal obligation outstanding at any time, as may be agreed upon between the mortgagor and the mortgagee. All charges made in connection with the mortgage transaction shall be subject to the approval of the Commisisoner.

§ 292a.13 *Mortgage to cover the entire property.* The mortgage shall cover the entire property included in the housing project.

§ 292a.14 *Covenant against liens.* The The mortgage shall, except as otherwise provided in this part, contain a covenant against the creation by the mortgagor of liens against the property superior or inferior to the lien of the mortgage.

§ 292a.15 *Standards and conditions of acceptability.* The mortgage shall be executed with respect to a project which, in the opinion of the Commissioner, is an acceptable risk in view of the Certificate of Need issued by the Secretary of Defense. Such project or property shall comply with such standards and conditions as the Commissioner may prescribe to establish its acceptability for mortgage insurance.

§ 292a.16 *Accumulation of accruals.* The mortgage shall provide for payments by the mortgagor to the mortgagee on each interest payment date of an amount sufficient to accumulate in the hands of the mortgagee one payment period prior to its due date, the next annual mortgage insurance premium payable by the mortgagee to the Commissioner. Such payments shall continue only so long as the contract of insurance shall remain in effect.

§ 292a.17 *Application of payments.* (a) The mortgage shall provide that all monthly payments to be made by the mortgagor to the mortgagee shall be added together and the aggregate amount thereof shall be paid by the mortgagor upon each monthly payment date in a single payment. The mortgagee shall apply the same to the following items in the order set forth:

(1) Premium charges under the contract of insurance;

(2) Interest on the mortgage;

(3) Amortization of the principal of the mortgage.

(b) Any deficiency in the amount of any such aggregate monthly payment shall constitute an event of default. The mortgage shall further provide for a grace period of 30 days, within which time the default must be made good.

§ 292a.18 *Prepayment privilege.* The mortgage must contain a provision permitting the mortgagor to prepay the mortgage in whole or in part upon any interest payment date after giving to the mortgagee 30 days' notice in writing in advance of its intention to so prepay: *Provided,* That no additional charge or penalty for prepayment shall be payable at any time on or after the date which is six years from the date of the first payment by the mortgagor on the mortgage note.

§ 292a.19 *Fees and charges to be collected by mortgagee.* The mortgagee may collect from the mortgagor the amount of the application and commitment fees provided for in this section and may charge the mortgagor an initial service charge to reimburse itself for the cost of closing the transaction, in an amount not to exceed 1½ percent of the original principal amount of the mortgage, or such additional amounts or charges as may be approved by the Commissioner.

§ 292a.20 *Late charge provision.* The mortgage may provide for the collection by the mortgagee of a "late charge," not to exceed 2 cents for each dollar of each payment to interest and/or principal more than 15 days in arrears, to cover the extra expense involved in handling delinquent payments. Late charges may not be deducted from any aggregate monthly payment if not collected.

§ 292a.21 *Issuance of bonds.* In the event that bonds are to be issued as a part of the insured mortgage transaction, all arrangements with respect to the issuance and sale of such bonds shall be subject to approval by the Commissioner.

§ 292a.22 *Mortgage covenant regarding racial restrictions and use of property.* (a) The mortgage shall contain a covenant by the mortgagor that until the mortgage has been paid in full, or the contract of insurance otherwise terminated, he will not execute or file for record any instrument which imposes a restriction upon the sale or occupancy of the mortgaged property on the basis of race, color or creed. Such covenant shall be binding upon the mortgagor and his assigns and shall provide that upon violation thereof, the mortgagee may, at its option, declare the unpaid balance of the mortgage immediately due and payable.

(b) The mortgage shall contain a covenant prohibiting the use of the property covered thereby for any purpose other than that for which it was intended at the date the mortgage was executed.

ELIGIBLE MORTGAGORS

§ 292a.23 *Private corporation or association eligible.* A private corporation or association (referred to in this subchapter as "mortgagor," "Corporation," or "mortgagor corporation") is eligible for mortgage insurance if formed or created, with the approval of the Commissioner for the purpose of providing housing for rent or sale, and possessing powers necessary therefor and incidental thereto. So long as such contract of insurance is in effect, the corporation or association shall engage in no business other than the construction and operation of a housing project limited to nontransient occupancy.

§ 292a.24 *Stock acquisition by Military.* Upon completion of the project the Military shall acquire all the stock of the mortgagor corporation and shall hold the same and manage and operate the project property so long as there is outstanding thereon a mortgage insured by the Commissioner.

SUPERVISION OF MORTGAGORS

§ 292a.25 *Lien certification.* In all cases a mortgagor must certify at final endorsement of the loan for insurance that the property covered by the mortgage is free and clear of all liens other than such mortgage, and that there will not be outstanding any other unpaid obligation contracted in connection with the mortgage transaction, the purchase of the mortgaged property, or the construction of the project, except such obligations as may be approved by the Commissioner as to terms, form and amount.

§ 292a.26 *Agreement covering advances.* The mortgagor and mortgagee shall, prior to the insurance of the mortgage, execute an agreement acceptable to the Commissioner providing for the manner and conditions under which advances (if any) during construction are to be made by the mortgagee and approved for insurance by the Commissioner. Such agreement shall require the mortgagee to notify the Commissioner, through the insuring office having jurisdiction over the territory in which the property is situated, in writing, on an application form prescribed by the Commissioner, of the proposed date and the amount of the advance to be made, and the Commissioner shall deliver to the mortgagee within a reasonable time from the date of such notice a certificate executed on behalf of the Commissioner on a form prescribed by him setting forth the amount approved for insurance or advising the mortgagee of the Commissioner's nonapproval and setting forth the reasons therefor. Such agreement shall be set forth on a form approved by the Commissioner; shall contain such additional terms, conditions, and provisions as the Commissioner shall in the particular case prescribe or approve, and when properly executed shall constitute a part of the mortgage insurance contract.

§ 292a.27 *Completion assurance.* Assurance for the completion of a project shall be a performance bond satisfactory to the Commissioner and the Military with the mortgagor and mortgagee as joint obligees.

§ 292a.28 *Labor standards.* (a) Any contract or subcontract executed for the performance of construction of the project shall comply with all applicable Labor Standards and provisions of the Regulations of the Secretary of Labor, issued May 9, 1951, 29 CFR 5.1–5.12 (16 F. R. 4430).

(b) The Military shall make all compliance inspections, investigations and pay roll examinations and report thereon to the Commissioner.

§ 292a.29 *Ineligible contractors.* No construction contract shall be entered into with a general contractor or any subcontractor if such contractor or any such subcontractor or any firm, corporation, partnership or association in which such contractor or subcontractor has a substantial interest is included on the ineligible list of contractors or subcontractors established and maintained by the Commissioner or by the Comptroller General, pursuant to the provisions of Regulations of the Secretary of Labor, issued May 9, 1951, 29 CFR 5.6 (b) (16 F. R. 4431).

§ 292a.30 *Ineligible advances.* No advance under the mortgage shall be eligible for insurance after notification from the Commissioner that the general contractor or any subcontractor or any firm, corporation, partnership or association in which such contractor or subcontractor has a substantial interest was, on the date the contract or subcontract was executed on an ineligible list as prescribed in § 292a.29.

§ 292a.31 *Prevailing wage certificate.* No advance under any mortgage shall be eligible for insurance unless there is filed with the application for such advance a certificate or certificates in the form required by the Commissioner, supported by such other information as the Commissioner may prescribe, certifying that the laborers and mechanics employed in the construction of the dwelling or dwellings, or housing project involved have been paid not less than the wages prevailing in the locality in which the work was performed for the corresponding classes of laborers and mechanics employed on construction of a similar character, as determined by the Secretary of Labor prior to the beginning of construction and after the date of filing of the application for insurance.

§ 292a.32 *Non-discrimination provision.* Any contract or subcontract executed for the performance of construction of the project shall contain the provision that there shall be no discrimination against any employee, or applicant for employment, because of race, color, creed, or national origin.

§ 292a.33 *Special certificates and contract by mortgagor.* (a) The mortgagor must certify under oath that in selecting tenants for the property covered by the mortgage, the mortgagor will not discriminate against any family by reason of the fact that there are children in the family, and that the mortgagor will not sell the property while the mortgage insurance is in effect unless the purchaser also so certifies, such certifications to be filed with the Commisisoner.

(b) The mortgagor must certify under oath that, so long as the mortgage is insured by the Commissioner, the mortgagor will not rent, permit the rental, or permit the offering for rental, of the housing, or any part thereof, covered by such mortgage for transient or hotel purposes. The corporate charter of the mortgagor or a contract with the Commissioner shall provide that so long as the said mortgage is insured or held by the Commissioner it will not rent such housing, or any part thereof for hotel purposes. For the purpose of this certificate, rental for transient or hotel purposes shall mean (1) rental for any period less than 30 days, or (2) any rental, if the occupants of the housing accommodations are provided customary hotel services such as room service for food and beverages, maid service, furnishing and laundering of linen, and bellboy service.

ELIGIBLE MORTGAGEES

§ 292a.34 *Qualification of lenders.* The provisions of §§ 221.1–221.8 of Part 221 of Subchapter C of this chapter shall govern the eligibility, qualifications and requirements of mortgagees under this part.

PROPERTY REQUIREMENTS

§ 292a.35 *Eligibility of property.* (a) A mortgage to be eligible for insurance must be on the interest of the lessee for not less than fifty-five years on a lease executed by the Military or such other interest in real estate as may be approved by the Commissioner.

(b) The property constituting security for the mortgage must be held by an eligible mortgagor as herein defined and must at the time the mortgage is insured be free and clear of all liens other than that of such mortgage except as otherwise provided in this part.

§ 292a.36 *Development of property.* At the time the mortgage is insured the mortgagor shall be obligated to construct and complete new housing accommodations on the mortgaged property, designed principally for residential use, conforming to standards satisfactory to the Commissioner. The project shall consist of not less than eight dwelling units on one site and may be detached, semi-detached, or row houses, or multifamily structures; except that the Commissioner, upon request of the Military, may insure a mortgage on a project consisting of less than eight dwelling units.

§ 292a.37 *Form of contract.* The form of contract between the Military and the eligible builder shall be subject to the prior approval of the Commissioner.

TITLE

§ 292a.38 *Eligibility of title.* In order for the mortgaged property to be eligible for insurance, the Commissioner must determine that marketable title thereto is vested in the mortgagor as of the date the mortgage is filed for record. The title evidence will be examined by the Commissioner and the original endorsement of the credit instrument for insurance will be evidence of its acceptability.

§ 292a.39 *Title evidence.* Upon insurance of the mortgage, the mortgagee, without expense to the Commissioner, shall furnish to the Commissioner, a survey satisfactory to him and a policy of title insurance, as provided in paragraph (a) of this section, or, if the mortgagee is unable to furnish such policy for reasons satisfactory to the Commissioner, the mortgagee, without expense to the Commissioner, shall furnish such evidence of title as provided in paragraphs (b), (c) or (d) of this section, as the Commissioner may require.

(a) A policy of title insurance with respect to such mortgage, issued by a company satisfactory to the Commissioner. Such policy shall comply with the "L. I. C. Standard Mortgagee Form," or the "A. T. A. Standard Mortgagee Form," or such other form as may be approved by the Commissioner; shall be payable to the mortgagee and the Commissioner as their respective interests may appear; and shall become a policy on the leasehold interest of the mortgagor, running to the mortgagee as owner upon the acquisition of the property by the mortgagee in extinguishment of a debt through foreclosure or by other means, and to the Commissioner as owner upon the acquisition of the property by him pursuant to the mortgage insurance contract.

(b) An abstract of title satisfactory to the Commissioner, prepared by an abstract company or individual engaged in the business of preparing abstracts of title, accompanied by a legal opinion satisfactory to the Commissioner, as to the quality of such title, signed by an attorney at law experienced in the examination of titles.

(c) A Torrens or similar title certificate.

(d) Evidence of title conforming to the standards of a supervising branch of the Government of the United States of America, or of any State or Territory thereof.

EFFECTIVE DATE

§ 292a.40 *Effective date.* The provisions of this part shall be effective as to all mortgages with respect to which a commitment to insure is issued on or after August 15, 1955.

Issued at Washington, D. C., January 13, 1956.

[SEAL] NORMAN P. MASON,
Federal Housing Commissioner.

[F. R. Doc. 56-367; Filed, Jan. 13, 1956; 1:32 p. m.]

PART 293a—ARMED SERVICES HOUSING INSURANCE; RIGHTS AND OBLIGATIONS OF THE MORTGAGEE UNDER THE INSURANCE CONTRACT

Part 293a is amended to read as follows:

DEFINITIONS

Sec.
293a.1 Definitions.

PREMIUMS

293a.2 Method of payment.
293a.3 Waiver of adjusted premium charge.

INSURANCE ENDORSEMENT

293a.4 Form of endorsement.

RIGHTS AND DUTIES OF MORTGAGEE UNDER CONTRACT OF INSURANCE

293a.5 Defaults.
293a.6 Notice.
293a.7 Commissioner's right to require acceleration.
293a.8 Transfer of property to Commissioner; conditions; required items.
293a.9 Delivery of debentures and certificate of claim.
293a.10 Hazard insurance.

ASSIGNMENTS

293a.11 Assignment of insured mortgages.

RIGHTS IN HOUSING FUND

293a.12 No vested right.

AMENDMENTS

293a.13 Amendments not to change contractural rights.

EFFECTIVE DATE

293a.14 Effective date.

AUTHORITY: §§ 293a.1 to 293a.14 issued under sec. 807, 69 Stat. 651.

DEFINITIONS

§ 293a.1 *Definitions.* (a) The term "mortgage" means a first mortgage on real estate, in fee simple, or on a leasehold (1) under a lease for not less than ninety-nine years which is renewable; or (2) under a lease for a period of not less than fifty years to run from the date the mortgage was executed; and the term "first mortgage" means such classes of first liens as are commonly given to secure advances on, or the unpaid purchase price of, real estate, under the laws of the State in which the real estate is located, together with the credit instruments, if any, secured thereby.

(b) The term "mortgagee" includes the original lender under a mortgage, and its successors and assigns approved by the Commissioner; and the term "mortgagor" includes the original borrower under a mortgage, its successors and assigns.

(c) The term "maturity date" means the date on which the mortgage indebtedness would be extinguished if paid in accordance with periodic payments provided for in the mortgage.

(d) The term "housing accommodations" means housing designed for occupancy by military personnel and their dependents, assigned to duty at or near the military installation where such housing units are constructed.

(e) The term "personnel" shall include personnel of the military and civilian personnel approved by the Secretary of Defense, or his designee, and the dependents of all such personnel.

(f) The term "Military" includes Army, Navy, Marine Corps, Air Force, and Coast Guard.

(g) The term "State" includes the several States and Alaska, Hawaii, Puerto Rico, the District of Columbia, Guam, and the Virgin Islands.

PREMIUMS

§ 293a.2 *Method of payment.* (a) The mortgagee, upon the initial endorsement of the mortgage for insurance shall agree to pay to the Commissioner a first insurance premium of one dollar per project for the construction period.

(b) On the date of the first principal payment on account of the mortgage the mortgagee shall pay the first insurance premium and a second premium equal to one-fourth of one percent of the average outstanding principal obligation for the following year.

(c) Until the mortgage is paid in full, or until the contract of insurance shall otherwise terminate, the mortgagee, on each anniversary of the date of the first principal payment shall pay an annual mortgage insurance premium equal to one-quarter of one percent of the average outstanding principal obligation of the mortgage for the year following the date upon which such premium becomes payable; except that the annual mortgage insurance premium rate shall be reviewed and shall be subject to revision on July 1, 1959 and at the end of each three year period thereafter by the Commissioner, the Secretary of Defense, and the Secretary of the Treasury or their designees, to a rate justified by the loss experience of the Armed Services Housing Mortgage Insurance Fund and the rate payable as the mortgage insurance premium shall be that determined as a result of the aforesaid review and revision: *Provided,* That in no event shall such premium charge exceed one-half of one percent: *And provided further,* That any change in the annual mortgage insurance premium rate will become effective only with respect to premiums which become due on the first day of the month following such revision.

(d) The premiums payable on and after the date of the first principal payment shall be calculated in accordance with the amortization provisions without taking into account delinquent payments or prepayments.

(e) Premiums shall be payable in cash or in debentures issued by the Commissioner against the Armed Services Housing Mortgage Insurance Fund under Title VIII of the National Housing Act at par plus accrued interest. All premiums, except the first premium, are payable in advance and no refund will be made of any portion thereof except that at the time of prepayment, the Commissioner will refund to the mortgagee for the account of the mortgagor an amount equal to the pro rata portion of the current annual mortgage insurance premium theretofore paid, which is applicable to the portion of the year subsequent to such prepayment.

§ 293a.3 *Waiver of adjusted premium charge.* If the mortgage is prepaid prior to maturity, no adjusted premium charge will be required.

INSURANCE ENDORSEMENT

§ 293a.4 *Form of endorsement.* (a) Upon compliance satisfactory to the Commissioner with the terms and conditions of his commitment to insure, the Commissioner shall endorse the original credit instrument in form as follows:

> No. --------
>
> Insured under section 803 of the National Housing Act and Regulations thereunder of the Federal Housing Commissioner.
>
> In effect on ---------------- to the extent of advances.
>
> Approved by the Commissioner.
>
> FEDERAL HOUSING COMMISSIONER,
>
> By ----------------------------------
> (Authorized agent)
>
> Date ----------------

(b) The mortgage shall be an insured mortgage from the date of such endorsement. The Commissioner and the mortgagee shall thereafter be bound by this part with the same force and to the same extent as if a separate contract had been executed relating to the insured mortgage, including the provisions of this part and of the National Housing Act.

(c) After all advances under the mortgage have been made with the approval of the Commissioner, the Commissioner shall, upon presentation of original credit instrument, make a notation below the insurance endorsement in form as follows:

> A total sum of $------ has been approved for insurance hereunder by the Commissioner.
>
> FEDERAL HOUSING COMMISSIONER,
>
> By ----------------------------------
> (Authorized agent)
>
> Date ----------------

RIGHTS AND DUTIES OF MORTGAGEE UNDER CONTRACT OF INSURANCE

§ 293a.5 *Defaults.* (a) The failure of the mortgagor to make any payments due under or provided to be paid by the terms of a mortgage insured under this part shall be considered a default under such mortgage.

(b) The failure to perform any other covenant under the provisions of a mortgage insured under this part shall be considered a default, provided the mortgagee, because of such default, has exercised its right under the mortgage and accelerated the debt.

(c) If such defaults as defined in paragraphs (a) and (b) of this section continue for a period of 30 days the mortgagee shall be entitled to receive the benefits of the insurance hereinafter provided.

§ 293a.6 *Notice.* (a) If the default as defined in § 293a.5 is not cured within the 30 day grace period, the mortgagee shall within 30 days thereafter notify the Commissioner in writing of such default.

(b) Notwithstanding the provision of § 293a.5 (b), the mortgagee will be required to give notice in writing to the Commissioner of the failure of the mortgagor to comply with such covenant regardless of the fact the mortgagee may not have elected to accelerate the debt.

§ 293a.7 *Commissioner's right to require acceleration.* Upon receipt of notice of violation of a covenant, as provided for in § 293a.6 (b), or otherwise being apprised thereof, the Commissioner reserves the right to require the mortgagee to accelerate payment of the outstanding principal balance due in order to protect the interests of the Federal Housing Commissioner.

§ 293a.8 *Transfer of property to Commissioner; conditions; required items.* (a) When the mortgagee becomes eligible for the benefits of the mortgage insurance, it shall within 30 days thereafter, or within such later time as may be agreed upon by the Commissioner in writing, notify the Commissioner in writing of its intention to file claim for debentures. At any time within 30 days after the date of such notice, or within such further period as may be agreed upon by the Commissioner in writing, the mortgagee shall, in such manner as the Commissioner may require, assign, transfer and deliver to the Commissioner the original credit instrument and the mortgage securing the same, without recourse or warranty, except that the mortgagee must warrant that no act or omission of the mortgagee has impaired the validity and priority of the mortgage, that the mortgage is prior to all mechanics' and materialmen's liens filed of record subsequent to the recording of such mortgage regardless of whether such liens attached prior to such recording date, and prior to all liens and encumbrances which may have attached or defects which may have arisen subsequent to the recording of such mortgage, except such liens or other matters as may be approved by the Commissioner, that the amount stated in the instrument of assignment is actually due and owing under the mortgage, that there are no offsets or counterclaims thereto, and that the mortgagee has a good right to assign and will promptly deliver to the Commissioner the mortgage and other items enumerated below:

(1) All rights and interest arising under the mortgage so in default;

(2) All claims of the mortgagee against mortgagor or others, arising out of the mortgage transaction;

(3) All policies of title or other insurance or surety bonds or other guaranties, and any and all claims thereunder, including evidence satisfactory to the Commissioner that the original title coverage has been extended to include the assignment of the mortgage to the Commissioner;

(4) Any balance of the mortgage loan not advanced to the mortgagor;

(5) Any cash or property held by the mortgagee or its agents or to which it is entitled, including deposits made for the account of the mortgagor, and which have not been applied in reduction of the principal of the mortgage indebtedness;

(6) All funds held by the mortgagee for the account of the mortgagor and which were received pursuant to any other agreement;

(7) All records, documents, books, papers and accounts relating to the mortgage transaction;

(8) Any additional information or data which the Commissioner may require.

(b) Nothing contained in this section shall be so construed as to require the mortgagee to take any action when the necessity therefor has been waived in writing by the Commissioner nor to prevent the mortgagee from taking action at a later date than herein specified if the Commissioner agreed thereto in writing.

§ 293a.9 *Delivery of debentures and certificate of claim.* (a) If the mortgagee proceeds in accordance with § 293a.8 and furnishes evidence satisfactory to the Commissioner that there are no past due and unpaid ground rents, general taxes, or special assessments, and furnishes the warranties described in said section, the Commissioner shall deliver to the mortgagee:

(1) Debentures of the Armed Services Housing Mortgage Insurance Fund as set forth in section 803 of the National Housing Act which debentures shall:

(i) Be issued as of the date the mortgage became in default;

(ii) Have a total face value equal to the value of the mortgage as defined in section 803 (d) of the National Housing Act, which value shall be determined by adding to the original principal of the mortgage which was unpaid on the date of default the amount which the mortgagee may have paid for taxes, special assessments, and water rates which are liens prior to the mortgage; insurance on the property during construction and prior to final insurance endorsement; and reasonable expenses for the completion and preservation of the property, and any mortgage insurance premiums paid after default; less any amount received on account of the mortgage after such date, and any net income received by the mortgagee from the property after such date, and in the event the property has been damaged by fire or other hazards and loss has been sustained by reason of failure to keep the property insured during construction and prior to final insurance endorsement, the amount of such loss may be deducted from the amount of the debentures.

(iii) Be registered as to principal and interest;

(iv) At the option of the Commissioner and with the approval of the Secretary of the Treasury, be redeemed at par and accrued interest on any interest payment date on 3 months' notice of redemption given in such manner as the Commissioner shall prescribe;

(v) Mature 20 years from the date thereof;

(vi) Be issued in multiples of $50.00 and any difference not in excess of $50.00 between the amount of debentures to which the mortgagee is otherwise entitled hereunder and the aggregate face value of the debentures issued shall be paid in cash by the Commissioner to the mortgagee;

(vii) Bear interest from the date of issue, payable semiannually on the first day of January and the first day of July of each year at the rate in effect as of the date the commitment was issued, or as of the date the mortgage was endorsed for insurance, whichever rate is the higher. The following interest rates are effective for the dates listed:

Effective rate	On or after—	Prior to—
2¾ percent...............	July 1, 1955	....

(2) A certificate of claim in accordance with section 803 (g) of the National Housing Act. Such certificate shall be for an amount which the Commissioner determines to be sufficient, when added to the face value of the debentures issued and the cash adjustment paid to the mortgagee, to equal the amount which the mortgagee would have received if, on the date of the assignment, transfer and delivery to the Commissioner, the mortgagor had extinguished the mortgage indebtedness by payment in full of all obligations under the mortgage. Such certificate of claim shall provide that there shall accrue to the holder of such certificate with respect to the face amount of such certificate, an increment at the rate of three percent per annum, beginning on the date of the assignment of the mortgage to the Commissioner, but which shall not be compounded. If any excess is realized from the mortgage and all claims in connection therewith so assigned, transferred and delivered, and from the property covered by such mortgage and all claims in connection with such property, after deducting all expenses incurred by the Commissioner in handling, dealing with, acquiring title to, and disposing of such mortgage and property and in collecting such claims, such excess shall be applied in payment of the certificate of claim and any balance thereafter shall be retained by the Commissioner and credited to the Armed Services Housing Mortgage Insurance Fund.

(b) In the event the mortgagor pays the obligation under the mortgage in full, prior to the maturity thereof and the Commissioner is given written notice by the mortgagee of such payment by the mortgagor, the obligation to pay any subsequent premium charge for insurance shall cease and all rights of the mortgagee, under the contract of insurance shall terminate as of the date of such notice.

§ 293a.10 *Hazard insurance.* The mortgaged premises shall be insured against fire and other hazards at all times during the construction period and prior to final insurance endorsement. The duty shall be upon the mortgagee to provide such coverage in the event the mortgagor fails to do so. If the mortgagee fails to pay any premiums necessary to keep the mortgaged premises so insured, the contract of insurance may be terminated at the election of the Commissioner. If at the time claim is filed for debentures, the property has been damaged by fire or other hazards, and loss has been sustained by reason of failure to keep the property insured during construction and prior to final endorsement, the amount of such loss may be deducted from the amount of the debentures. In the event a loss has occurred to the mortgaged property under any policy of fire or other hazard insurance and the amount of any funds received by the mortgagee in payment of such loss shall be sufficient to pay in full the entire mortgage indebtedness, the mortgage shall, upon receipt of such funds by the mortgagee, be deemed paid and the contract of mortgage insurance made with the Commissioner shall thereupon terminate. If, however, any funds so received shall be insufficient to pay such mortgage indebtedness in full, the mortgagee shall not exercise its option under the mortgage to use the proceeds of such insurance for the repairing, replacing or rebuilding of such premises or to apply such proceeds to the mortgage indebtedness without prior written approval of the Commissioner. If the Commissioner shall fail to give his approval to the use or application of such funds for either of said purposes within thirty days after written request by the mortgagee, the mortgagee may use or apply such funds against the outstanding unpaid indebtedness. No hazard insurance will be required after final insurance endorsement.

ASSIGNMENTS

§ 293a.11 *Assignment of insured mortgages.* (a) Bonds or other obligations issued in connection with an insured mortgage executed in the form of an indenture of trust providing for the issue and sale of such bonds or other obligations and appointing a trustee to act on behalf of the holders of such bonds or other obligations may be transferred as provided in the indenture of trust.

(b) An insured mortgage, other than those described in paragraph (a) of this section may not be transferred or pledged prior to the full disbursement of the mortgage loan, except with the prior written approval of the Commissioner which approval may be subject to such conditions and qualifications as the Commissioner may prescribe. Subsequent to full disbursement such mortgage may be transferred only to a transferee who is a mortgagee approved by the Commissioner. Upon such transfer and the assumption by the transferee of all obligations under the contract of insurance the transferor shall be released from its obligations under the contract of insurance.

(c) The contract of insurance shall terminate with respect to mortgages described in paragraph (b) of this section upon the happening of either of the following events:

(1) The transfer or pledge of the insured mortgage to any person, firm, or corporation, public or private, other than an approved mortgagee.

(2) The disposal by a mortgagee of any partial interest in the insured mortgage by means of a declaration of trust or by a participation or trust certificate or by any other device, unless with the prior written approval of the Commissioner, which approval may be subject to such conditions and qualifications as the Commissioner in his discretion may prescribe: *Provided,* That this paragraph shall not be applicable to any mortgage so long as it is held in a common trust fund maintained by a bank or trust company exclusively for the collective investment and reinvestment of moneys contributed thereto by the bank or trust company in its capacity as a trustee, executor or administrator; and in conformity with the rules and regulations prevailing from time to time of the Board of Governors of the Federal Reserve System, pertaining to the collective investment of trust funds: *Provided further,* That this paragraph shall not be applicable to any mortgage so long as it is held in a common trust estate administered by a bank or trust company which is subject to the inspection and supervision of a governmental agency, exclusively for the benefit of other banking institutions which are subject to the inspection and supervision of a governmental agency, and which are authorized by law to acquire beneficial interests in such common trust estate, nor to any mortgage transferred to such a bank or trust company as trustee exclusively for the benefit of outstanding owners of undivided interest in the trust estate, under the terms of certificates issued and sold more than three years prior to said transfer, by a corporation which is subject to the inspection and supervision of a governmental agency.

RIGHTS IN HOUSING FUND

§ 293a.12 *No vested right.* Neither the mortgagee nor the mortgagor shall have any vested or other right in the Armed Services Housing Mortgage Insurance Fund.

AMENDMENTS

§ 293a.13 *Amendments not to change contractual rights.* The regulations in this part may be amended by the Commissioner at any time and from time to time, in whole or in part, but such amendments shall not affect the contract of insurance on any mortgage already insured or to be insured on which the Commissioner has made a commitment to insure.

EFFECTIVE DATE

§ 293a.14 *Effective date.* The provisions of this part shall be effective as to all mortgages with respect to which a commitment to insure is issued on or after August 15, 1955.

Issued at Washington, D. C., January 13, 1956.

[SEAL] NORMAN P. MASON,
Federal Housing Commissioner.

[F. R. Doc. 56-368; Filed, Jan. 13, 1956; 1:33 p. m.]

TITLE 49—TRANSPORTATION

Chapter I—Interstate Commerce Commission

[Docket 3666; Order 20]

PART 73—SHIPPERS

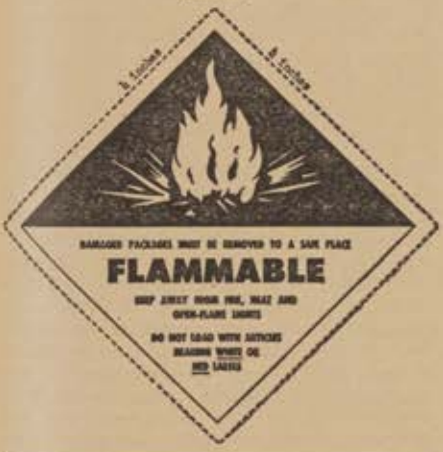
Correction

In Federal Register Document 55-8723, published October 28, 1955, 20 F. R. 8097, paragraph (b) of § 73.406 should read as follows:

§ 73.406 *Flammable solids and oxidizing materials* label. * * *

(b) Yellow label for flammable solids for shipment by air.

Yellow and black with (black printing on yellow)


4 inches
4 inches
DAMAGED PACKAGES MUST BE REMOVED TO A SAFE PLACE
FLAMMABLE
KEEP AWAY FROM FIRE, HEAT AND OPEN-FLAME LIGHTS
DO NOT LOAD WITH ARTICLES BEARING WHITE OR RED LABELS

TITLE 46—SHIPPING

Chapter II—Federal Maritime Board, Maritime Administration, Department of Commerce

Subchapter C—Regulations Affecting Subsidized Vessels and Operators

[Gen. Order 12, Rev., Supp. 2, Amdt. 1]

PART 281—INFORMATION AND PROCEDURE REQUIRED UNDER OPERATING-DIFFERENTIAL SUBSIDY AGREEMENTS

CURRENT FINANCIAL REPORTS

Effective as of January 1, 1954, paragraph (f) of § 281.1 is hereby deleted in its entirety and superseded by the following new paragraph (f):

(f) *Current financial reports.* Current financial reports are to be submitted by each operator in the manner described below:

(1) Balance Sheet: To be prepared as of March 31st, June 30th, September 30th and December 31st, of each calendar year, in conformity with the specimen appended to the Uniform System of Accounts prescribed in General Order 22 Revised (Part 282 of this chapter), and submitted in triplicate as soon as practicable but not later than forty-five (45) days after each of the aforesaid dates, except that in lieu of the Balance Sheet prepared as of December 31st of each year there shall be submitted a copy of the Balance Sheet as shown in Maritime Administration Form 172 Financial Report as soon as practicable but in any event not later than May 15th of each year.

(2) Income Sheet: An income sheet shall be prepared for the period January 1 to March 31 of each calendar year, and from January 1 to the end of each succeeding quarter of the calendar year, in conformity with the specimen appended to the Uniform System of Accounts prescribed in Part 282 of this chapter (General Order 22, Revised), and submitted in triplicate as soon as practicable but not later than forty-five (45) days after the end of the respective periods, except that in lieu of the Income Sheet prepared as of December 31st of each year there shall be submitted a copy of the Income Sheet as shown in Maritime Administration Form 172 Financial Report as soon as practicable but in any event not later than May 15th of each year. These statements shall include completed voyage accountings for all voyages which terminated during the period.

(3) Summary vessel operating statements by service and vessel type: (i) A summary vessel operating statement shall be prepared for each service by vessel type (C-2, C-3, etc.) within each service in conformity with the voyage operating statements provided for in the Uniform Annual Report form prescribed by the Maritime Administration. These statements will be prepared for the period January 1 to March 31 of each calendar year and from January 1 to the end of each succeeding quarter of the calendar year. Separate statements will be prepared for subsidized and non-subsidized voyages.

(ii) Summary statements are to be prepared and transmitted in quintuplicate and concurrently with the Balance Sheet and Income Statements required under subparagraphs (1) and (2) of this paragraph, and must reconcile with the voyage revenue and expense from all operations as reported in the Income Sheet.

(4) The current financial reports specified in this section shall be sent to the Comptroller, Maritime Administration.

(Sec. 204, 49 Stat. 1987, as amended; 46 U. S. C. 1114. Interpret or apply sec. 606, 49 Stat. 2004, as amended; 49 U. S. C. 1176)

NOTE: The reporting requirements of the foregoing have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942 (5 USC 139 (a)), Pub. Law 831, 77th Congress.

Dated: January 10, 1956.

[SEAL] CLARENCE G. MORSE,
Maritime Administrator.

[F. R. Doc. 56-358; Filed Jan. 16, 1956; 8:50 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF LABOR

Wage and Hour Division

[29 CFR Part 541]

DEFINING AND DELIMITING TERMS "ANY EMPLOYEE EMPLOYED IN BONA FIDE EXECUTIVE, ADMINISTRATIVE, PROFESSIONAL OR LOCAL RETAILING CAPICITY, OR IN CAPACITY OF OUTSIDE SALESMAN"

NOTICE OF HEARING

Section 13 (a) (1) of the Fair Labor Standards Act provides an exemption from the minimum wage and overtime requirements for any employee employed in a bona fide executive, administrative, or professional capacity, as such terms are defined and delimited by regulations of the Administrator. Among other requirements, 29 CFR Part 541, issued pursuant to this authority require that executive employees in Puerto Rico and the Virgin Islands must be paid not less than $30 a week on a salary basis, and that administrative and professional employees in these Islands must be paid no less than $200 a month on a salary or fee basis. These salary tests were established in 1940, and were not changed when the regulations were last amended in January 1950. At that time, however, the special provisions in the regulations for such employees who are paid $100 a week or more were made applicable to Puerto Rico and the Virgin Islands.

Experience in administering these regulations, in light of changes in economic conditions which have taken place since these salary levels were established, particularly the widespread increases in wages and salaries, indicates that consideration should be given to amendment of the regulations.

Accordingly, notice is hereby given of a public hearing to be held beginning on Wednesday, February 15, 1956 at 10 a. m. in Room 313, New York Department Store Bldg., Santurce, Puerto Rico, before a representative of the Administrator, at which interested persons may submit data, views, or arguments on the following question:

What, if any, changes should be made in the provisions contained in §§ 541.1 (f), 541.2 (e) and 541.3 (e) of the regulations with respect to the level of the salaries required for exemption as executive, administrative, and professional employees in Puerto Rico and the Virgin Islands?

All persons wishing to be heard on this question shall file with the Administrator of the Wage and Hour Division, United States Department of Labor, 14th and Constitution Avenue NW., Washington 25, D. C., not later than February 6, 1956, notice of intention to appear which shall contain the following information:

1. Name and address of the person appearing.

2. If such person is appearing in a representative capacity, the name and address of the persons or organizations he is representing.

3. Whether he is appearing in support of a change in the salary levels and if so, the nature of the change suggested.

4. The approximate length of time requested for his presentation.

Written data, views, or arguments may be filed in lieu of personal appearances at any time prior to or at the hearing.

In connection with the question presented above, interested parties are requested to submit, prior to or at the hearing, the following kinds of data with respect to employees in Puerto Rico and the Virgin Islands:

1. Salaries currently paid to executive, administrative, and professional employees, including the entrance salaries, prevailing minimum salaries and the range.

2. Entrance salaries paid to trainees and junior executive, administrative, and professional employees.

3. Wages or salaries of white collar employes, particularly clerical:

(a) Typists, stenographers, secretaries.

(b) Clerks, accounting clerks, payroll clerks, bookkeepers.

(c) Accountants of various grades.

4. Salary increases to employees in 1, 2 and 3 above since 1940 and since 1949, in dollars or in percentage increase.

5. For the purpose of properly evaluating the information given above, information should be submitted identifying the locality, type of community and the industry involved in the data presented.

6. Any other information relating to the appropriate level of the salary requirements in 29 CFR Part 541, as they apply to Puerto Rico and the Virgin Islands under current conditions.

A report entitled "Salaries in Puerto Rico and the Virgin Islands" is being prepared by the Division. This report may be examined at the office of the Wage and Hour and Public Contracts Divisions, Room 5413, United States Department of Labor, 14th and Constitution Avenue NW., Washington, D. C., after January 16, 1956. Copies will be distributed upon request after that date as long as the available supply lasts.

Signed at Washington, D. C., this 12th day of January 1956.

NEWELL BROWN,
Administrator,
Wage and Hour Division.

[F. R. Doc. 56-349; Filed, Jan. 16, 1956; 8:48 a. m.]

FEDERAL COMMUNICATIONS COMMISSION

[47 CFR Part 1]

[Docket No. 11522; FCC 56-39]

APPLICABILITY; RULES OF EVIDENCE

HEARING MANUAL FOR COMPARATIVE BROADCAST PROCEEDINGS

In the matter of amendment of Part 1, §§ 1.840 and 1.871 of the Commission's rules and regulations to incorporate by reference a Hearing Manual for Comparative Broadcast Proceedings.

1. The Commission has under consideration its Notice of Proposed Rule Making (FCC 55-1051) issued in this proceeding on October 21, 1955, proposing to amend §§ 1.840 and 1.871 of its rules and regulations to incorporate a Hearing Manual by reference into the rules to govern the introduction and use of evidence in comparative broadcast proceedings. The Commission invited comments both with respect to the provisions of the proposed Manual and the question of whether the Manual should be incorporated by reference into the rules or merely issued to serve as a guide to Hearing Examiners, Commission attorneys and Members of the Bar.

2. Comments were filed by the law firms of Dow, Lohnes and Albertson, Cohn and Marks and Scharfeld and Baron, all of Washington, D. C., and by Columbia Broadcasting System, Inc., and the National Society of Professional Engineers. Dow, Lohnes and Albertson and CBS suggest changes in certain provisions of the Manual and support its incorporation by reference into the rules. Cohn and Marks urge that the Manual be adopted as a "Guide" only and not as a part of the rules. Scharfeld and Baron oppose both the incorporation of the Manual into the rules and its official adoption as a "Guide." They urge that it be revised in accordance with their suggestions before any status whatever is given to it and that it be given, at most, only the unofficial and informal status of a statement of general principles to serve as general background for new Hearing Examiners and attorneys. The National Society of Professional Engineers did not comment on the question of the form in which the Manual should be issued but urge merely that changes be made in one provision of the Manual.

3. The Commission believes that uniformity in the treatment of evidentiary matters in comparative broadcast proceedings is desirable, insofar as possible, to further the expeditious disposition of such hearings and to eliminate confusion and unnecessary expense to the parties. We are of the view that the attached Hearing Manual,[1] if used wisely, will promote more uniformity in the handling of evidentiary matters and should be used in such hearings to supplement the rules and other pertinent laws governing the admission and exclusion of evidence. While the Manual obviously does not cover all of the evidentiary matters arising in such hearings, it does cover a good portion of those upon which we believe a uniform procedure is generally possible and desirable.

4. The Commission has reviewed the arguments of the parties relating to the manner in which the Manual should be issued. Upon careful consideration of this question, we believe that the most effective use of the Manual can be achieved by issuing it as a "guide" to Hearing Examiners and counsel rather than as a part of the rules or in some other manner. As a "Guide" it expresses the views of the Commission and yet permits flexibility and latitude in the application of its provisions to the evidentiary problems arising in individual cases.

5. The Commission has carefully considered the suggestions for changes in the various provisions of the Manual urged in the comments. A number of these suggestions have been adopted as reflected in the attached document.

6. In view of the foregoing, we have concluded that the proposed amendments to incorporate the Hearing Manual into the rules by reference should not be adopted and that it should be issued merely as a "Guide" to serve Hearing Examiners and counsel. *Accordingly, it is ordered*, That the attached Hearing Manual is issued as a Guide to serve Hearing Examiners and counsel, and this proceeding is hereby terminated.

Adopted: January 11, 1956.

Released: January 12, 1956.

FEDERAL COMMUNICATIONS
COMMISSION,
[SEAL] WM. P. MASSING,
Acting Secretary.

[F. R. Doc. 56-373; Filed, Jan. 16, 1956; 10:26 a. m.]

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[1] Filed as part of the original document.

NOTICES

DEPARTMENT OF COMMERCE

Federal Maritime Board

MEMBER LINES OF TRANS-PACIFIC PASSENGER CONFERENCE ET AL.

NOTICE OF AGREEMENTS FILED FOR APPROVAL

Notice is hereby given that the following described agreements have been filed with the Board for approval pursuant to section 15 of the Shipping Act, 1916, as amended; 39 Stat. 733, 46 U. S. C. 814.

(1) Agreement No. 131-219, between the members lines of the Trans-Pacific Passenger Conference, modifies the bylaws of the basic conference agreement (No. 131) by deleting the provision for the payment of commissions to missionary societies and to secretaries of missionary societies.

(2) Agreement No. 8062, between Hanseatische Reederei Emil Offen & Co., a German company, and Vaasan Laiva Oy, a Finnish company, provides for the creation of a joint service under the trade name "Hanseatic-Vaasa-Line," in the trade from Pacific Coast ports of the United States to Europe. This agreement, upon approval, will supersede and cancel Agreement No. 8051, a sailing arrangement between the parties in the same trade.

Interested parties may inspect these agreements and obtain copies thereof at the Regulation Office, Federal Maritime Board, Washington, D. C., and may submit, within 20 days after publication of this notice in the FEDERAL REGISTER, written statements with reference to either of the agreements and their position as to approval, disapproval, or modification.

together with request for hearing should such hearing be desired.

Dated: January 12, 1956.

By order of the Federal Maritime Board.

[SEAL] A. J. WILLIAMS,
Secretary.

[F. R. Doc. 56-357; Filed, Jan. 16, 1956; 8:49 a. m.]

CIVIL AERONAUTICS BOARD

[Docket No. 6545]

RESORT AIRLINES, INC.; RENEWAL CASE

NOTICE OF HEARING

In the matter of the application of Resort Airlines, Inc. for renewal of its certificate of public convenience and necessity.

Notice is hereby given pursuant to the Civil Aeronautics Act of 1938, as amended, particularly sections 401 and 801 of said act, that hearing in the above-indicated proceeding will be held on January 30, 1956, at 10:00 a. m., e. s. t., in Conference Room A, Departmental Auditorium, between Twelfth and Fourteenth Streets on Constitution Avenue NW., Washington, D. C., before Examiner Merritt Ruhlen.

Dated at Washington, D. C., January 10, 1956.

[SEAL] FRANCIS W. BROWN,
Chief Examiner.

[F. R. Doc. 56-352; Filed, Jan. 16, 1956; 8:48 a. m.]

[Docket No. 7478]

EMPRESA DE TRANSPORTES, AEROVIAS BRASIL, S. A.

NOTICE OF REASSIGNMENT OF HEARING

In the matter of the application of Empresa De Transportes, Aerovias Brasil, S. A., for a foreign air carrier permit authorizing it to engage in air transportation between a terminal point in the United States of Brazil, the intermediate points Port of Spain, Trinidad, Caracas, Venezuela, Ciudad Trujillo, Dominican Republic, and the coterminal points Miami, Florida, and Chicago, Illinois.

Notice is hereby given pursuant to the Civil Aeronautics Act of 1938, as amended, that hearing in the above-entitled proceeding heretofore assigned to be held on January 17, 1956, at 2:30 p. m., e. s. t., in Room E-210, Temporary Building No. 5, Sixteenth Street and Constitution Avenue NW., Washington, D. C., before Examiner Joseph L. Fitzmaurice, is hereby reassigned and will be held on March 2, 1956, at 2:30 p. m. in Room E-210, Temporary Building No. 5, Sixteenth Street and Constitution Avenue NW., Washington, D. C., before Examiner Joseph L. Fitzmaurice.

Dated at Washington, D. C., January 10, 1956.

[SEAL] FRANCIS W. BROWN,
Chief Examiner.

[F. R. Doc. 56-354; Filed, Jan. 16, 1956; 8:49 a. m.]

[Docket No. SA-315]

ACCIDENT OCCURRING AT JACKSONVILLE, FLA.

NOTICE OF HEARING

In the matter of investigation of accident involving aircraft of United States Registry N 112A, which occurred at Jacksonville, Florida, December 21, 1955.

Notice is hereby given, pursuant to the Civil Aeronautics Act of 1938, as amended, particularly section 702 of said act, in the above-entitled proceeding that hearing is hereby assigned to be held on Thursday, January 26, 1956, at 9:30 a. m. (local time) in the Coral Gables City Hall, Lejeune Road and Coral Way, Coral Gables, Florida.

Dated at Washington, D. C., January 11, 1956.

[SEAL] VAN R. O'BRIEN,
Presiding Officer.

[F. R. Doc. 56-353; Filed, Jan. 16, 1956; 8:49 a. m.]

FEDERAL POWER COMMISSION

[Docket No. G-9093]

R. W. RINE DRILLING CO.

NOTICE OF APPLICATION AND DATE OF HEARING

JANUARY 10, 1956.

Take notice that The R. W. Rine Drilling Company (Applicant), an Oklahoma corporation with principal office in Wichita, Kansas, as operator, on behalf of itself and General American Oil Company of Texas, non-operator and co-owner, filed an application on July 1, 1955, for a certificate of public convenience and necessity, pursuant to section 7 of the Natural Gas Act, authorizing Applicant to render service as hereinafter described, subject to the jurisdiction of the Commission, all as more fully represented in the application, which is on file with the Commission and open for public inspection.

Applicant proposes to sell natural gas in interstate commerce, which will be produced from Chance Field, Pratt County, Kansas, to Panhandle Eastern Pipe Line Company, for resale. The proposed price is 12 cents per Mcf at 14.65 psia.

This matter is one that should be disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on February 8, 1956, at 9:30 a. m., e. s. t., in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, D. C., concerning the matters involved in and the issues presented by such application: *Provided, however*, That the Commission may, after a non-contested hearing, dispose of the proceedings pursuant to the provisions of § 1.30 (c) (1) or (c) (2) of the Commission's rules of practice and procedure. Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before January 27, 1956. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 56-328; Filed, Jan. 16, 1956; 8:45 a. m.]

[Docket No. G-9187]

WILLIAM E. ESFELD AND FRANCES A. ESFELD

NOTICE OF APPLICATION AND DATE OF HEARING

JANUARY 10, 1956.

Take notice that William E. Esfeld and Frances A. Esfeld (Applicant), individuals whose addresses are c/o Robert S. Johnson, Attorney at Law, 301 Columbian Building, Topeka, Kansas, filed as non-operator, on August 1, 1955, an application for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, authorizing Applicant to render service as hereinafter described, subject to the jurisdiction of the Commission, all as more fully represented in the application which is on file with the Commission and open for public inspection.

Applicant proposes to sell natural gas in interstate commerce from production of certain acreage, Hugoton Field, Kearny County, Kansas, to Kansas-Nebraska Natural Gas Company, Inc., for resale.

This matter is one that should be disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on Wednesday, February 15, 1956, at 9:30 a. m., e. s. t., in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, D. C., concerning the matters involved in and the issues presented by such application: *Provided, however*, That the Commission may, after a non-contested hearing, dispose of the proceedings pursuant to the provisions of § 1.30 (c) (1) or (c) (2) of the Commission's rules of practice and procedure. Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before January 26, 1956. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 56-329; Filed, Jan. 16, 1956; 8:45 a. m.]

[Docket No. G-9528]

G. A. KANE

NOTICE OF APPLICATION AND DATE OF HEARING

JANUARY 10, 1956.

Take notice that G. A. Kane (Applicant), an individual whose address is % Northern Pump Company, Columbia Heights P. O., Minneapolis 21, Minnesota, filed, on October 21, 1955, an application for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, authorizing Applicant to render service as hereinafter described, subject to the jurisdiction of the Commission, all as more fully represented in the application which is on file with the Commission and open for public inspection.

Applicant proposes to sell natural gas in interstate commerce from production of certain acreage, Hugoton Field, Haskell and Seward Counties, Kansas, to Colorado Interstate Gas Company for resale.

This matter is one that should be disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commissions rules of practice and procedure, a hearing will be held on Wednesday, February 15, 1956, at 9:30 a. m., e. s. t., in a hearing room of the Federal Power Commission, 441 G. Street NW., Washington, D. C., concerning the matters involved in and the issues presented by such application: *Provided, however,* That the Commission may, after a noncontested hearing, dispose of the proceedings pursuant to the provisions of § 1.30 (c) (1) or (c) (2) of the Commission's rules of practice and procedure. Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

Protests or petitons to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before January 26, 1956. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 56-330; Filed, Jan. 16, 1956; 8:45 a. m.]

[Docket No. G-9633]

DEVONIAN GAS & OIL CO.

NOTICE OF APPLICATION AND DATE OF HEARING

JANUARY 10, 1956.

Take notice that Devonian Gas & Oil Co. (Applicant), whose address is 1406 Keystone Building, Pittsburgh 22, Pennsylvania, filed, on November 8, 1955, an application for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, authorizing Applicant to render service as hereinafter described, subject to the jurisdiction of the Commission, all as more fully represented in the application which is on file with the Commission and open for public inspection.

Applicant proposes to sell natural gas in interstate commerce from production of certain acreage, Huston Township, Clearfield County, Pennsylvania, to United Natural Gas Company for resale.

This matter is one that should be disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on Wednesday, February 15, 1956, at 9:30 a. m., e. s. t., in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, D. C., concerning the matters involved in and the issues presented by such application: *Provided, however,* That the Commission may, after a noncontested hearing, dispose of the proceedings pursuant to the provisions of § 1.30 (c) (1) or (c) (2) of the Commission's rules of practice and procedure. Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before January 26, 1956. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 56-331; Filed, Jan. 16, 1956; 8:45 a. m.]

[Docket No. G-9645]

FREEDOM MINERALS, INC.

NOTICE OF APPLICATION AND DATE OF HEARING

JANUARY 10, 1956.

Take notice that Freedom Minerals, Inc. (Applicant), a Texas corporation whose address is P. O. Box 1656, Houston 1, Texas, filed on November 10, 1955, an application for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, authorizing Applicant to render service as hereinafter described, subject to the jurisdiction of the Commission, all as more fully represented in the application which is on file with the Commission and open for public inspection.

Applicant proposes to sell natural gas in interstate commerce from production of certain acreage, Walla-Boyt Field, Chambers County, Texas, to Texas Eastern Transmission Corporation for resale.

This matter is one that should be disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on Wednesday, February 15, 1956, at 9:30 a. m., e. s. t., in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, D. C., concerning the matters involved in and the issues presented by such application: *Provided, however,* That the Commission may, after a noncontested hearing, dispose of the proceedings pursuant to the provisions of § 1.30 (c) (1) or (c) (2) of the Commission's rules of practice and procedure. Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before January 26, 1956. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 56-332; Filed, Jan. 16, 1956; 8:45 a. m.]

[Docket No. G-9683]

HUGHES RIVER OIL AND GAS

NOTICE OF APPLICATION AND DATE OF HEARING

JANUARY 10, 1956.

Take notice that Hughes River Oil and Gas (Applicant), a West Virginia partnership whose address is 302 Jarvis St., Charleston, West Virginia, filed, on November 21, 1955, an application for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, authorizing Applicant to render service as hereinafter described, subject to the jurisdiction of the Commission, all as more fully represented in the application which is on file with the Commission and open for public inspection.

Applicant proposes to sell natural gas in interstate commerce from production of certain acreage, Murphy District, Ritchie County, West Virginia, to Hope Natural Gas Company for resale.

This matter is one that should be disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on Wednesday, February 15, 1956, at 9:30 a. m., e. s. t., in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, D. C., concerning the matters involved in and the issues presented by such application: *Provided, however,* That the Commission may, after a non-contested hearing, dispose of the proceedings pursuant to the provisions of § 1.30 (c) (1) or (c) (2) of the Commission's rules of practice and procedure. Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before January 26, 1956. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 56-333; Filed, Jan. 16, 1956; 8:45 a. m.]

[Docket No. G-9690]

TEXAS CO.

NOTICE OF APPLICATION AND DATE OF HEARING

JANUARY 10, 1956.

Take notice that The Texas Company (Applicant), a Delaware corporation whose address is P. O. Box 2332, Houston 1, Texas, filed on November 23, 1955, an application for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, authorizing Applicant to render service as hereinafter described, subject to the jurisdiction of the Commission, all as more fully represented in the application which is on file with the Commission and open for public inspection.

Applicant proposes to sell natural gas in interstate commerce from production of certain acreage, Dale Field, Logan County, Colorado, to Kansas-Nebraska Natural Gas Company, Inc., for resale.

This matter is one that should be disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on Thursday, February 16, 1956, at 9:30 a. m., e. s. t., in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, D. C., concerning the matters involved in and the issues presented by such application: *Provided, however,* That the Commission may, after a non-contested hearing, dispose of the proceedings pursuant to the provisions of § 1.30 (c) (1) or (c) (2) of the Commission's rules of practice and procedure. Under the procedure herein provided for, unles otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before January 27, 1956. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 56-334; Filed, Jan. 16, 1956; 8:46 a. m.]

[Docket No. G-9700]

FAIRFIELD OIL CO.

NOTICE OF APPLICATION AND DATE OF HEARING

JANUARY 10, 1956.

Take notice that Fairfield Oil Company (Applicant), a Delaware corporation whose address is 1308 Commercial National Bank Building (P. O. Box 208), Shreveport, Louisiana, filed on November 25, 1955, an application for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, authorizing Applicant to render service as hereinafter described, subject to the jurisdiction of the Commission, all as more fully represented in the application which is on file with the Commission and open for public inspection.

Applicant proposes to sell natural gas in interstate commerce from production of certain acreage, Greenwood-Waskom Gas Area, Caddo Parish, Louisiana, to United Gas Pipe Line Company for resale.

This matter is one that should be disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by Sections 7 and 15 of the Natural Gas Act, and the Commission's Rules of Practice and Procedure, a hearing will be held on Thursday, February 16, 1956, at 9:30 a. m., e. s. t., in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, D. C., concerning the matters involved in and the issues presented by such application: *Provided, however,* That the Commission may, after a non-contested hearing, dispose of the proceedings pursuant to the provisions of § 1.30 (c) (1) or (c) (2) of the Commission's rules of practice and procedure. Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before January 27, 1956. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 56-335; Filed, Jan. 16, 1956; 8:46 a. m.]

[Docket No. G-9720]

OLIVER JENKINS

NOTICE OF APPLICATION AND DATE OF HEARING

JANUARY 10, 1956.

Take notice that Oliver Jenkins, Trustee (Applicant), a Kentucky corporation whose address is Paintsville, Kentucky, filed on November 30, 1955, an application for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, authorizing Applicant to render service as hereinafter described, subject to the jurisdiction of the Commission, all as more fully represented in the application which is on file with the Commission and open for public inspection.

Applicant proposes to sell natural gas in interstate commerce from production of certain acreage, Floyd County, Kentucky, to Kentucky West Virignia Gas Company for resale.

This matter is one that should be disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on Thursday, February 16, 1956, at 9:30 a. m., e. s. t., in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, D. C., concerning the matters involved in and the issues presented by such application: *Provided, however,* That the Commission may, after a non-contested hearing, dispose of the proceedings pursuant to the provisions of § 1.30 (c) (1) or (c) (2) of the Commission's rules of practice and procedure. Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before January 27, 1956. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 56-336; Filed, Jan. 16, 1956; 8:46 a. m.]

[Docket No. G-9857]

SKELLY OIL CO.

ORDER SUSPENDING PROPOSED CHANGES IN RATES

Skelly Oil Company (Applicant), on December 12, 1955, tendered for filing proposed changes in presently effective rate schedules for sales subject to the jurisdiction of the Commission. The proposed changes, which constitute increased rates and charges, are contained in the following designated filings, which are proposed to become effective on the dates shown:

Description; Purchaser; Rate Schedule Designation; and Effective Date [1]

Supplemental Agreement, dated April 15, 1955; Texas Illinois Natural Gas Pipe Line Company; Supplement No. 3 to Applicant's FPC Gas Rate Schedule No. 61; January 12, 1956.

Notice of Change, undated; Texas Illinois Natural Gas Pipe Line Company; Supplement No. 4 to Applicant's FPC Gas Rate Schedule No. 61; January 12, 1956.

The increased rates and charges proposed in the aforesaid filings, insofar as said supplements provide for an increase from 15.4599 cents to 15.6633 cents per Mcf, have not been shown to be justified, and may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

The Commission finds: It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of the said proposed changes, and insofar as said supplements provide for an increase from 15.4599 cents to 15.6633 cents per Mcf that they be suspended and the use thereof deferred as hereinafter ordered.

The Commission orders:

(A) Pursuant to the authority contained in sections 4 and 15 of the Natural Gas Act and the Commission's general rules and regulations (18 CFR, Chapter I), a public hearing be held upon a date to be fixed by notice from the Secretary concerning the lawfulness of said proposed changes in rates and charges; and, pending such hearing and decision thereon, the above-designated supplements, insofar as they provide for an increase from 15.4599 cents to 15.6633 cents per Mcf, be and the same hereby are suspended and the use thereof deferred until June 12, 1956, and until such further time as they are made effective in the manner prescribed by the Natural Gas Act.

(B) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) of the Commission's rules of practice and procedure (18 CFR 1.8 and 1.37 (f).)

Adopted: January 5, 1956.

Issued: January 11, 1956.

By the Commission.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 56-339; Filed, Jan. 16, 1956; 8:46 a. m.]

[Docket No. G-9858]

LE CUNO OIL CO.

ORDER SUSPENDING PROPOSED CHANGES IN RATES

Le Cuno Oil Company (Applicant), on December 15, 1955, tendered for filing proposed changes in presently effective rate schedules for sales subject to the jurisdiction of the Commission. The proposed changes, which constitute increased rates and charges, are contained in the following designated filing, which is proposed to become effective on the date shown:

Description; Purchaser; Rate Schedule Designation; and Effective Date [1]

Notice of Change, dated December 13, 1955; Mississippi River Fuel Corporation; Supplement No. 4 to Applicant's FPC Gas Rate Schedule No. 4; January 15, 1956.

The increased rates and charges proposed in the aforesaid filing have not been shown to be justified, and may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

The Commission finds: It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of the said proposed changes, and that the above-designated supplement be suspended and the use thereof deferred as hereinafter ordered.

The Commission orders: [2]

(A) Pursuant to the authority contained in sections 4 and 15 of the Natural Gas Act and the Commission's general rules and regulations (18 CFR, Chapter I), a public hearing be held upon a date to be fixed by notice from the Secretary concerning the lawfulness of said proposed changes in rates and charges; and, pending such hearing and decision thereon, the above-designated supplement be and the same hereby is suspended and the use thereof deferred until June 15, 1956, and until such further time as it is made effective in the manner prescribed by the Natural Gas Act.

(B) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) of the Commission's rules of practice and procedure (18 CFR 1.8 and 1.37 (f).)

Adopted: January 5, 1956.

Issued: January 11, 1956.

By the Commission.[2]

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 56-340; Filed, Jan. 16, 1956; 8:47 a. m.]

[Docket No. G-6505]

DORCHESTER CORP.

NOTICE OF ORDER DISMISSING PROCEEDINGS

JANUARY 11, 1956.

Notice is hereby given that on January 5, 1956, the Federal Power Commission issued its order adopted December 30, 1955, dismissing proceedings in the above-entitled matter.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 56-341; Filed, Jan. 16, 1956; 8:47 a. m.]

[Docket No. G-8432]

CITY OF VANCEBURG, KY.

NOTICE OF FINDINGS AND ORDER DIRECTING SALE AND DELIVERY OF NATURAL GAS AND DISMISSING APPLICATION IN PART

JANUARY 11, 1956.

Notice is hereby given that on December 29, 1955, the Federal Power Commission issued its findings and order adopted December 28, 1955, directing sale and delivery of natural gas and dismissing application in part in the above-entitled matter.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 56-342; Filed, Jan. 16, 1956; 8:47 a. m.]

[Project No. 1890]

FLOYD C. SANGER ET AL.

NOTICE OF ORDER APPROVING TRANSFER OF LICENSE (MAJOR)

JANUARY 11, 1956.

In the matter of Floyd C. Sanger and Marguerite P. Sanger and Manuel de J. Castillo; Project No. 1890.

Notice is hereby given that on January 5, 1956, the Federal Power Commission issued its order adopted December 29, 1955, approving transfer of license (Major) in the above-entitled matter.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 56-343; Filed, Jan. 16, 1956; 8:47 a. m.]

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[1] The stated effective date is the first day after expiration of the required thirty days' notice, or the effective date proposed by Applicant if later.

[2] Commissioner Digby dissenting.

[Docket No. G-5671 etc.]

W. B. OSBORN, JR., ET AL.

ORDER DENYING APPLICATION AND MOTION TO DISMISS AND RECONVENING HEARING

In the matters of W. B. Osborn, Jr., Docket No. G-5671; B. O. Biedenharn, Docket No. G-5672; C. O. Barrett, Docket No. G-5673; W. B. Osborn, Docket No. G-5674; Jewel Osborn, Docket No. G-5675; Lee Minton, Docket No. G-5676; Delia Minton, Docket No. G-5677; Winnie Lou Jones, Docket No. G-5678.

The above designated parties, hereinafter referred to singly and collectively as Applicant, filed applications in the designated dockets on November 23, 1954, for certificates of public convenience and necessity pursuant to section 7 of the Natural Gas Act authorizing the sales of natural gas in interstate commerce for resale in accordance with the data reflected in the following tabulation, subject to the jurisdiction of the Commission, all as fully set forth in the applications filed herein.

Pursuant to due notice, a public hearing was commenced in Washington, D. C., on December 19, 1955, respecting the matters involved in and the issues presented by the applications. No petition to intervene or protest to the granting of the application has been received. Applicants appeared through counsel, made a motion requesting the Commission to dismiss the various applications heretofore filed in this consolidated proceeding, and in support thereof presented the testimony of W. B. Osborn, one of the parties hereto. The motion made upon the record and the evidence offered in support thereof, have been certified by the Presiding Examiner to the Commission for consideration and disposition. The hearing was recessed by the Examiner until further order of the Commission.

Applicants filed herein on December 27, 1955, a formal application presenting the same matters and issues presented in the motion made upon the record hereinabove referred to.

The evidence of record reflects that Applicant produces natural gas which is sold in interstate commerce for resale as shown in the following tabulation:

Docket No.	Applicant	Purchaser and contract date	Field	County and State
G-5671	W. B. Osborn, Jr.	Colorado Interstate Gas Co. (8-26-47).	Hugoton	Kearny, Grant Haskell, Finney, Kans.
		Colorado Interstate Gas Co. (8-1-49).	do	Do.
		Northern Natural Gas Co. (9-29-50).	do	Do.
		Lone Star Gas Co. (1-153)	Katie	Garvin, Okla.
		Lone Star Gas Co. (1-154)	do	Do.
		do	do	Do.
		do	do	Do.
		Tennessee Gas Transmission Co. (4-1-54).	Zim	Starr, Tex.
G-5672	B. O. Biednharn	Colorado Interstate Gas Co. (8-28-47).	Hugoton	Kearny, Grant Haskell, Finney, Kans.
		Colorado Interstate Gas Co. (8-1-49).	do	Do.
		Northern Natural Gas Co. (9-29-50).	do	Do.
		Lone Star Gas Co. (1-153)	Katie	Garvin, Okla.
		Lone Star Gas Co. (1-154)	do	Do.
		do	do	Do.
		do	do	Do.
		Tennessee Gas Transmission Co. (4-1-54).	Zim	Starr, Tex.
G-5673	C. O. Barrett	Colorado Interstate Gas Co. (8-26-47).	Hugoton	Kearny, Grant Haskell, Finney, Kans.
		Colorado Interstate Gas Co. (8-1-49).	do	Do.
		Northern Natural Gas Co. (9-29-50).	do	Do.
		Lone Star Gas Co. (1-1-53)	Katie	Garvin, Okla.
		Lone Star Gas Co. (1-1-54)	do	Do.
		Lone Star Gas Co. (1-1-54)	do	Do.
		Lone Star Gas Co. (1-1-54)	do	Do.
		Tennessee Gas Transmission Co. (4-1-54).	Zim	Starr, Tex.
G-5674	W. B. Osborn	Colorado Interstate Gas Co. (8-26-47).	Hugoton	Kearny, Grant Haskell, Finney, Kans.
		Colorado Interstate Gas Co. (8-1-49).	do	Do.
		Northern Natural Gas Co. (9-29-50).	do	Do.
		Lone Star Gas Co. (1-1-53)	Katie	Garvin, Okla.
		Lone Star Gas Co. (1-1-54)	do	Do.
		Lone Star Gas Co. (1-1-54)	do	Do.
		Lone Star Gas Co. (1-1-54)	do	Do.
		Tennessee Gas Transmission Co. (4-1-54).	Zim	Starr, Tex.
		Tennessee Gas Transmission Co. (11-16-53).	Agua Dulce.	Nueces, Tex.
		Tennessee Gas Transmission Co. (11-16-53).	do	Do.
G-5675	Jewel Osborn	Colorado Interstate Gas Co. (8-26-47).	Hugoton	Kearny, Grant Haskell, Finney, Kans.
		Colorado Interstate Gas Co. (8-1-49).	do	Do.
		Northern Natural Gas Co. (9-29-50).	do	Do.
		Lone Star Gas Co. (1-1-54)	Katie	Garvin, Okla.
		Lone Star Gas Co. (1-1-54)	do	Do.
		Lone Star Gas Co. (1-1-54)	do	Do.
		Lone Star Gas Co. (1-1-54)	do	Do.
		Tennessee Gas Transmission Co. (4-1-54).	Zim	Starr, Tex.
		Tennessee Gas Transmission Co. (11-16-53).	Agua Dulce.	Nueces, Tex.
		Tennessee Gas Transmission Co. (11-16-53).	do	Do.
G-5676	Lee Minton	Tennessee Gas Transmission Co. (4-1-54).	Zim	Starr, Tex.
G-5677	Delia Minton	Tennessee Gas Transmission Co. (4-1-54).	do	Do.
G-5678	Winnie Lou Jones	Tennessee Gas Transmission Co. (4-1-54).	do	Do.

The evidence of record clearly reflects, and Applicants admit that the natural gas so produced from the various leaseholds referred to above is sold in interstate commerce to the various named companies for resale.

The basis for the motion and application to dismiss asserts, among other things, (a) that the applications for certificates of public convenience and necessity were filed to avoid possible penalties and with the hope the Commission, in exercising its authority to regulate rates would recognize that private owners of gas, such as Applicants, would in each instance be allowed to sell such gas at its value without any limitation on the price obtainable therefore based upon the cost to the Applicants of acquiring and producing such gas, (b) that since the filing of these applications for certificates of public convenience and necessity the Commission has indicated that a utility rate base yardstick will be used in the Commission's determination of the price which non-utility independent producers, such as the Applicants will be entitled to charge for gas which they sell, and has further indicated it will require non-utility producers, such as the Applicants to continue to deliver gas to the persons to whom the Applicants are presently delivering gas, (c) that because of the foregoing, Applicants do not now wish to admit or submit to the Commission's jurisdiction by applying for or accepting a certificate from the Commission authorizing the sale of gas, and (d) that if they are to suffer the costs and expenses of proving the economic necessity of a negotiated price no higher than the going field price, Applicants are abandoning the gas business.

In view of the record made on hearing to the point of recess by the Presiding Examiner, it clearly appears that Applicants are subject to sections 4, 5 and 7 of the Natural Gas Act and all of the Rules and Regulations of the Commission, and the application and motion should be denied.

The Commission orders:

(A) The application and motion presented by Applicants requesting dismissal of the applications for certificates of public convenience and necessity authorizing the sale of natural gas to the various purchasers hereinbefore referred to, and described in the various applications filed herein, be and the same are hereby denied.

(B) The above-entitled proceeding shall reconvene on January 19, 1956, at 9:30 a. m., e. s. t., in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, D. C., and proceed to conclusion.

Adopted: January 5, 1956.

Issued: January 11, 1956.

By the Commission.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 56-344; Filed, Jan. 16, 1956; 8:47 a. m.]

[Docket No. G-1116 etc.]

PANHANDLE EASTERN PIPE LINE CO. ET AL.

NOTICE OF INTERIM ORDER MODIFYING AND AFFIRMING CERTAIN PORTIONS OF INITIAL DECISION

JANUARY 11, 1956.

In the matters of Panhandle Eastern Pipe Line Company, Docket Nos. G-1116, G-1240, G-1317, G-1344, G-1417, G-1725, G-1754 and G-2101; City of Port Huron, City of Marysville, City of St. Clair, Michigan, Municipal corporations, Docket No. G-1152; Southeastern Michigan Gas Company, Docket No. G-1415; Michigan Consolidated Gas Company, Complainant, v. Panhandle Eastern Pipe Line Company, Defendant, Docket No. G-1379; Northern Indiana Fuel and Light Company, Docket No. G-1457 and G-2234; Missouri Central Natural Gas Company, Docket No. G-1509; The Central West Utility Company, Docket No. G-1616; Michigan Gas Utilities Company, Docket No. G-1625; City of Auburn, Illinois, Docket No. G-1659.

Notice is hereby given that on December 30, 1955, the Federal Power Commission issued its interim order adopted December 29, 1955, modifying and affirming as modified certain portions of the initial decision of Presiding Examiner and providing for interim refunds in the above-entitled matters.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 56-345; Filed, Jan. 16, 1956; 8:47 a. m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 54-191]

STANDARD GAS AND ELECTRIC CO.

ORDER AUTHORIZING PAYMENT OF FEE ALLOWANCE

JANUARY 11, 1956.

The Commission having on October 1, 1952, and March 13, 1953 approved an amended plan filed pursuant to section 11 (e) of the Public Utility Holding Company Act of 1935 by Standard Gas and Electric Company ("Standard"), a registered holding company; and

The amended plan having provided that Standard would pay such fees and expenses in connection with the plan as the Commission may determine or award, and the Commission in its aforesaid orders having reserved jurisdiction over such fees and expenses; and

An application having been filed by Standard on July 28, 1955 requesting, among other things, that the Commission fix the amount of the fee, if any, to be paid by Standard to James P. McGranery; and

A public hearing having been held after due notice; and

The Commission having considered the record and having this day made and filed herein its Memorandum Opinion, on the basis of which:

It is ordered, That a fee to James P. McGranery in the amount of $500 be, and hereby is, approved, and that Standard be, and hereby is, authorized to make such payment.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F. R. Doc. 56-337; Filed, Jan. 16, 1956; 8:46 a. m.]